

Bush says he supported U.S. weapons sales to Iran

By Owen Ullmann
Inquirer Washington Bureau

WASHINGTON — Vice President Bush acknowledged yesterday that he solidly supported President Reagan's secret weapons sales to Iran from the outset, even though both of them had misgivings about it.

In an interview, Bush said he continues to "strongly support what the President was doing," even though in hindsight it was clear that the administration had engaged in an arms-for-hostage deal.

"Does that mean he [Reagan] had ever had any misgivings about it or concerns about it or reservations? Absolutely," said Bush. "Did I? Yes."

But Bush added that "I see nothing incompatible" about supporting the initiative. "And I still am solid," he added. "Then, as time went on, as time goes on and you have the benefit of looking ex post facto at things, you say, 'Gosh, if we had seen all this.'"

Bush, the front-runner for the Republican presidential nomination, discussed the Iran-contra affair at length for the first time since the release last week of a newly discovered White House memorandum from Feb. 1, 1986, which described the vice president as being "solid" in support of the arms sales.

The memo, written by former national security adviser John M. Poindexter, was released by the Senate's Iran-contra investigative committee, which called the memo "the first evidence (albeit hearsay) the committees have found concerning the vice president's position on the Iran initiative."

Bush has said little about his involvement in the scandal, contending that his loyalty to Reagan prevents him from discussing his confidential advice to the President or from criticizing the operation.

But in subtle ways, Bush has sought to distance himself from the politically unpopular operation, which his GOP opponents have tried to use against him.

His strategy has been to support

the initiative as a worthwhile diplomatic overture to Iran and an opportunity to free American hostages. But he has said he would have opposed it had he been aware that it was an arms-for-hostage deal.

The vice president yesterday sought to play down the significance of Poindexter's memo by saying it merely confirms what was already known about his position.

"Poindexter, I think, has testified under oath about my misgivings. So, yes, I've stood with the President and will continue to stand with him and have no concerns about that at all," he said.

Bush press secretary Steve Hart later said that although there is no record of public testimony by Poindexter to that effect, Bush was referring to a Poindexter deposition that corroborated the vice president's claim of support with reservations. Hart said he did not know how Bush learned of the deposition, which has not been made public.

The vice president declined to say what his reservations were, but in

his autobiography, *Looking Forward*, which was published this fall, he writes that one misgiving he shared with Reagan "was that the United States was involved in a major foreign-policy initiative with only limited control over how it was carried out" because Israel was playing a major role.

Bush also says in the book that he was not aware that the operation was an arms-for-hostage swap because "I'd been deliberately excluded from key meetings involving details of the Iran operation" and was unaware of vigorous objections to the arms sales voiced by both Secretary of State George P. Shultz and then-Secretary of Defense Caspar W. Weinberger.

"As it turned out ... this was arms for hostage," he said yesterday. "This was wrong. That should not have happened. Now, do you wish that you'd been clairvoyant enough to say that that was arms for hostages? Well, yes I do."

But at the outset of the operation, Bush said, he shared Reagan's concern about the American hostages in Lebanon and a keen desire to secure their release.

Poindexter's February 1986 memo, which referred to "this risky operation," said "President and VP are solid in taking the position that we have to try."

"Look at the Poindexter memo," Bush said. "Did I care about those hostages? Did I think the President was right coming down taking the risk to get the torturers to stop on [CIA Beirut station chief William] Buckley and to free those other hostages? Yeah, I did."

"So that's the human side of the equation, that now in our infinite wisdom we can look back on because the hostages aren't released. But that weighed very heavily on my mind at the time ... but it was not presented as arms for hostages."

U.S. officials learned in October 1985, about four months before Poindexter wrote his memo, that Buckley, one of the hostages, had died in captivity the preceding June.

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Vice President's son talks of father's campaign

by Elaine Gilbert

Vice President George Bush will make a good president because of his varied background, which includes an understanding of world politics, his son, George Bush Jr. said during an interview last week in Hastings.

Bush Jr., 41, the eldest of vice president and Barbara Bush's five children, was in Hastings Thursday and Friday on a campaign swing to rally support for his father's Republican presidential nomination. Friday he spoke to the Hastings Women's Club.

In the interview, Bush Jr. talked of his father's international experiences as ambassador to the United Nations, ambassador to China and head of the Central Intelligence Agency.

He said the vice president would not have to compromise his CIA training and experiences to be open with the American people if he is elected president.

"As head of the CIA, the most important thing about that is that he understands the world the way it is," Bush Jr. said.

"I think there are some secrets that we don't need to be sharing with the world and I think the American public understands that. But what we don't need is some covert activities taking place out of the National Security Council and George Bush has said this.

"People say 'why didn't he do something about it (the Iran-Contra affair)?'" and the answer to that was 'like the president, he (Bush) didn't know.' It's hard for people to believe but the hearings proved that out... that it was simply that some people withheld information from the president and the vice president and that's wrong and George Bush has said it's wrong."

George Bush, if elected President, "will understand what's available for knowledge and what shouldn't be," his son said. "But, he won't use the National Security Council as an operating branch. It's an advisory branch.

"When he (the vice president) was head of the CIA, the Senate was trying to dismantle the CIA and he fought for the integrity of the CIA.

"He also spent a lot of time testifying on 'the Hill' and brought some reforms to the agency that did prevent unrecognized activities — in other words, not to allow the agency to run unfettered to do a bunch of covert activities that were not acceptable to the elected officials. So he has been a part of the reform (of the CIA) as well," Bush Jr. said.

Turning to the race for the nomination, Bush said that his father and Pat Robertson have a close race in Michigan.

Bush Jr. said he feels the level of enthusiasm for his father's nomination is increasing as Jan. 14 draws near. That's the day when Michigan county delegates convene.

"Bush supporters now realize that we've got a battle on our hands and realize the time is coming closer and therefore people are more enthusiastic than they have been in the past," he said.

Nationally, "the polls show George Bush with a pretty good lead," his son said.

Of the vice president's nearest challenger, Sen. Robert Dole, Bush Jr. said, "I think George Bush will beat him, but Bob Dole is running a good campaign.

"Dole has been in the U.S. Senate and House of Representatives for most of his career and that's good. I just happen to believe that a varied background (like George Bush has) is more important. George Bush has served in the Congress like Bob Dole but he's held other jobs and learned from other jobs as well, such as running the CIA, serving as ambassador to China and being vice president.

"We live in a complicated world today and so as a result it makes sense to have someone who sees the world and has been involved in world politics," Bush Jr. said. "Bob Dole is a good man, don't get me wrong. I just happen to think George Bush is a better person."

"George Bush knows most of the leaders of the free world and the Communist world for that matter, and therefore has a better chance to take the U.S. message and negotiate for the United States."

Raised in Connecticut, Bush Jr. said his father fought in World War II immediately after high school graduation.

"He (George Bush) was a fighter pilot, a highly decorated World War II hero. A lot of people don't know that. He was actually shot down in combat and rescued by a United States submarine.

"He did write a book about it that's out right now, called 'Looking Forward.' It talks about that incident and the questions about whether or not he'd be rescued by a U.S. sub as opposed to a Japanese vessel that was coming after him. He had some very prayerful moments during that experience in his life."

After graduating from Yale University, where Bush was a Phi Beta Kappa and a good athlete, he moved to West Texas and started his own company in the oil and gas drilling and contracting business.

As a businessman, Bush Jr. said his father dealt with roughnecks, drilling superintendents and a variety of other people.

"He was a good man and people liked him and worked hard with him for a common purpose which was to build his little company up and provide more jobs. He then ran for U.S. Congress and won out of Houston, Tex."

Bush Jr. also pointed out that his father ran the Republican Party "during Watergate, which was a very difficult time."

If Bush receives the presidential nomination, his son said his father will campaign on

four major platforms.

"The first one is the economy — real jobs in the private sector, not raising taxes, encouraging fiscal control at the House of Representatives level.

"I think we'll be talking about peace, the INF (Intermediate Nuclear Freeze) Treaty. Bush is very much in favor of it. He wants to build on that — a verifiable peace treaty so that we can get rid of chemical and biological weapons that can wipe out civilizations..."

Bush Jr. said his father also wants to be known as "the education president" and will be concerned with environmental issues.

"There are millions of issues, but you've got to concentrate on four or five of them," he said.

Bush Jr., himself, may be a candidate for some public office in the future. He was narrowly defeated in a bid for a 19th Congressional seat in West Texas in 1978, but says "I'm not discouraged in the least by having gotten whipped.

"At times," he said he has considered the possibly of seeking an office, but has no idea what one it might be or when.

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Patience and Prudence for President

LOOKING FORWARD

by George Bush
 with Victor Gold

(Doubleday:

\$18.95; 270 pp., illustrated)

Reviewed by Leonard Bushkoff

The campaign biography/auto-biography is a uniquely American creation, a throwaway advertisement for political shoppers, its ultimate destination the remainder table or the yard sale. But don't dismiss it as sheer blarney. The pitch being made, the mixture of fact and fancy, high-lighting and omission, all suggest how Candidate X or Y hopes to be perceived—and admired.

If so, then George Bush and Victor Gold (a well-known Washington political writer) haven't helped their cause. This bland, episodic, straight-arrow book portrays Bush as a regular guy, a "Mr. Smith Goes to Washington," by veneering his upper-class background with a populist, Texas overlay of oil fields and Tex-Mex food.

It doesn't work. Bush is not just plain folks, and it is absurd to cast him so wildly against type. "Looking Forward" presents him as loyal, rational, reasonable, every mother's most reliable son-in-law. Of imagination, there is none, of originality, no spark. And why should there be? Working hard

within the system has already brought Bush a heartbeat away from the Oval Office. Once upon a time, this outlook might have satisfied a nation content with good administration rather than dynamic leadership. But now. . . ?

Bush remains an Establishment offspring, of elite family and education, his self-confidence tempered by modesty, his ambition by good form. He comes from a large, wealthy, hard-working Connecticut, i.e., suburban New York, family. His father, Prescott Bush, had moved East from Ohio to build a very successful career, first as a Wall Street banker, and then as a moderate Republican senator during the Eisenhower presidency.

Bush, always in a hurry, did all the right things early on. He went straight from a New England prep school to a carrier deck in the Pacific. (His father had fought in World War I.) As the youngest pilot in the Navy, Bush flew bombers against Japanese-held islands in 1943-'44; he flew 58 combat missions, was shot down twice and rescued twice. He seems to have put it all behind him, offering no hint about its effect—if any—on his thinking or outlook.

Bush met his wife at 17, married at 20, and raced through Yale—his father's school—as a war veteran. Of ideas, courses, teachers, he says nothing (actually, he was a Phi Beta Kappa); of his college baseball career, far too much. A stray remark suggests a road not taken.

Bush was urged to apply for a Rhodes scholarship. He decided not to. With a wife and child to support after three lost years at war, entering "the real world" of business was far more important.

That meant West Texas, where insiders saw big bucks to be made. This Bush did, starting at the bottom in dusty oil towns, gaining experience in an established company before joining other ambitious young men in snapping up hot properties and going on their own. This could be a classic American story of risk, grit, and drive, but Bush skims right over it, barely touching both the wheeling and dealing, and also the struggles of a Yale making good in the outback.

Even the lingering death of his young daughter from leukemia in 1963 is handled briskly, almost impersonally. As Bush says about suffering briefly from a bleeding ulcer: "All my life I'd worked at channeling my emotions, trying not to let anger or frustration influence my thinking."

Bush's national career began with his election to Congress from Houston in 1966. The upward moves continued (the Bush family moved 28 times in 40 years), with short-lived stops to bolster his experience—and his resume: Bush's trump card is expertise, not policy. After four years in Congress, there were two as ambassador to the United Nations, 1½ as chairman of the Republican National Committee, and 13 months as head of the Liaison Office in China, and as CIA director.

Again, Bush tells us virtually nothing of events, but it is clear that his upbringing enabled him to fit gracefully into institutions, to adjust to their dynamics and to the personal relationships that grease the wheels. So he performed ably, treating each new job as a challenge, learning quickly from his subordinates, and faithfully carrying out his instructions from above. At the United Nations, he reached out even to the smallest Third World country; at the National Committee, he performed faithfully through the worst of Watergate; at the CIA, he tried to improve relations with Congress and the morale

of a demoralized staff; and in China, he managed to get along with Henry Kissinger while also tightly raising the very low profile of the American presence.

But are competence, experience, and prudence sufficient for a President? Bush tells two stories that suggest an answer. While serving in China during 1975, Bush joined Kissinger in a fascinating conversation with Mao Zedong, then 81, and very ill. Mao invited Bush to return. Bush was interested, but chose to consult his staff, who advised against it: Mao was just being diplomatic, they argued. Mao later died. Bush spoke of the invitation to a Chinese official who regretted Bush's caution: "The Chairman would never have made such an invitation unless he meant it."

In 1953, Bush and his business friends in Texas needed a name for their new oil company, a name that would stand out in the phone book. They chose Zapata, after "Viva Zapata," the Marion Brando film then playing, about the charismatic peasant Mexican leader of the 1911 Revolution. Bush may have seen the film, but he didn't grasp the point: Zapata loathed everything that prudent businessmen represented.

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ARNOLD BEICHMAN

commentary

Master of the ill-chosen word?

Vice President George Bush has a propensity for saying foolish things whenever he goes live. We all know that.

His latest gaffe, a denigration of Detroit auto workers and the quality of American automobiles, concerned the superiority of Soviet tank mechanics over American mechanics.

Mr. Bush's staff has laughed it off as another Bush-ism.

However, the words of a possible future president of the United States are not to be laughed off without first examining the record of other Bush off-the-cuff comments. And that record shows, to be charitable, an innocence about the Soviet Union which bodes ill for U.S. security under a Bush administration.

The present Bush contretemps began in Brussels on Oct. 2 when the vice president was asked what he had learned on his just-completed 10-day trip to Western Europe and Poland. This was his answer:

"Well, it wasn't so much a question of learning what is new except I learned from the ambassador of Italy, or maybe it was Norway, that the Soviets had had an operation recently where they had 350 tanks and never had a mechanical breakdown.

"That's what I learned that was new. You might say what's the significance of that, as I told them in there, hey, when the mechanics that keep those tanks running run out of work in the Soviet Union, send them to Detroit, because we could use that kind of ability. That's quite an achievement in an operation."

You might ask, as Mr. Bush did, what's the significance of that statement.

First, the significance lies in Mr.

Bush's will to believe that 350 Soviet tanks could run (I assume it must have been in a military exercise) and "never" have a mechanical breakdown, thereby implying that Detroit's tanks lack the ministrations of equally efficient mechanics.

In the second place, how would the ambassador of Italy (or maybe it was Norway or some other ambassador) know about those Soviet tanks and how long they had run without a breakdown. An hour? A week? Twenty-four hours straight? Ten seconds?

In the third place, before uttering on the subject of the durability of Soviet tanks, I would have thought the vice president of the United States would check with the Pentagon to see whether some ambassador or other's statements could be confirmed by our military people. After all, there is such a thing as KGB disinformation.

If the ill-chosen words in Brussels were the only example of Mr. Bush's foolish rhetoric about the Soviet Union, we could attribute it to jet lag. But there are some rather remarkable statements he has made which reflect a will to believe great and good things about the Soviet Union. For example, in a tape-recorded interview with the Christian Science Monitor, Dec. 20, 1982, Mr. Bush, who had served briefly as CIA director from 1976 to 1977, said about Yuri V. Andropov, the newly chosen Soviet leader and former head of the Soviet secret police:

"My view of Andropov is that some people make this KGB thing sound horrendous. Maybe I speak defensively as a former head of the CIA. But leave out the operational side of KGB — the naughty things they do..."

Naughty things they do? Time magazine quoted Mr. Bush's greeting to Mr. Andropov after attending the Leonid Brezhnev funeral, "I feel I already know you, since we served in similar positions."

Nothing could be further from the truth than that the KGB chairman and the CIA director hold similar positions. The omniscience, omnipresence and utter ruthlessness of the KGB make the position of KGB chairman, qualitatively and quantitatively, different from that of CIA director. All we need as documentation for my argument is to ask: Could a Soviet journalist write the kind of book about the KGB that Bob Woodward has just published about the CIA?

Why should a former CIA director, a former U.S. ambassador to the United Nations, a holder of other high government positions and now vice president of the United States with access to information about Mr. Andropov, the Butcher of Budapest in the 1956 uprising, want to whitewash the KGB? During the period the KGB was headed by Mr. Andropov, the perversion of psychiatry and pharmacology reached a horrifying peak. But for Mr. Bush these were "naughty things."

More and more, questions must be raised as to the political knowledge and convictions of George Bush on the most important question before the democratic world — how to deal with the Soviet Union.

Why Not George Bush?

LOOKING FORWARD

By George Bush with Victor Gold
Doubleday. 270 pp. \$18.95

By Chalmers M. Roberts

GEORGE Herbert Walker Bush's basic problem, as every political junkie knows, is this: he is attempting to do what no other American has succeeded in doing in over a century and a half, to move directly from the vice presidency to the presidency. The last to do so was Martin Van Buren in 1836, and he did it essentially on the powerful political back of his president, Andrew Jackson.

Still, a couple of recent cases demonstrate how close a sitting vice president can get: in 1960 Richard Nixon, constrained as he then was by parts of the Eisenhower record, was barely nosed out by John Kennedy; in 1968 Hubert Humphrey, wearing the weight of Lyndon Johnson's Vietnam War, almost closed the gap on Nixon in those final days. Why not George Bush?

It's not easy at the moment to weigh the power of a Reagan endorsement—that is, assuming Bush can win the Republican nomination—but in this, the first of the '88 campaign biographies, Bush is truly the hear-no-evil, speak-no-evil, see-no-evil candidate as far as Reagan is concerned. On the very first page Bush tells us that this is no "inside story" of the Reagan Administration. And it isn't.

But it is something of an inside story on Bush, despite all the cautious, play-it-safe-ness that laces the book, not to mention its bland title. (President Reagan's 1965 biography was *Where's the Rest of Me?*, Jimmy Carter's in 1975 was *Why Not the Best?*—and don't ask whether either question has been answered.)

Despite all of Bush's recitation of his years in Texas and his efforts to become a resident there, he just can't escape the Yankee he was born to be. His book is dedicated to "my mother and father, whose values lit the way." The values? His parents "embodied the Puritan ethic," and the children "all grew up understanding that life isn't an open-ended checking account." Bush had to earn it, and he did but it was tough to begin with. Dad, an investment banker, was twice elected to the U.S. Senate as a Connecticut gentleman, but young George got no more help than a raw beginner's job in the Texas oil fields by way of a family connection. For a while the Bushes did live checkbook poor, George as a traveling salesman peddling drilling bits.

But when he wised up enough to see where the real oil money was to be made and he needed some "investment money," he apparently didn't even try dad; rather, he managed

a loan on his own from financier Eugene Meyer, then owner of *The Washington Post*. And soon success came. By the time his dad died, Bush was the U.S. ambassador to the United Nations, and this is the most he could manage to say: "It was a real blow for me, for all his children. We had lost a best friend."

Out of his Puritan raising came the charge of "preppyism," which Bush tries to exorcise in a couple of fat footnotes. He hasn't worn button-down Oxford shirts "in twenty years," his popular music taste runs "to country-and-western" and so on. He even asked "one media specialist" why the two Roosevelts, two Tafts and Kennedy, who had also gone to Ivy League schools, hadn't been charged with "elitism"; but he couldn't get an answer that went beyond "something to do with 'perceptions.'"

There are treasured memories of vacations at grandpa's big house in Maine, where "for pure summertime pleasure," bringing in a mackerel or pollock "ranked right up there with eating ice cream and staying up late." In recounting his early Texas days, Bush even says—or says his wife Barbara says—that he once got drunk with the fellows at a Christmas party.

George Bush was a genuine World War II naval aviation hero (before he went to Yale), and his story retold here is a thriller. Yet somehow it lacks the dash and derring-do of Kennedy's PT-109 exploit, though equally life-threatening. In 1962, when the John Birch Society threatened to seize control of the GOP organization in Harris County (Houston), Bush defeated the ultra-righters, but in doing so he "found out that jocular politics . . . wasn't my style." In his early 30s he had had a bleeding ulcer; he learned to control it, once cured, by "channeling my energies" just as, "All my life I'd worked at channeling my emotions."

There is, by contrast, a moment of fire in the belly in Bush's account of a face-off, when he was running the CIA for President Ford, with Attorney General Edward Levi. Levi demanded the papers an ex-CIA employee had tried to sell the Russians, for use in the trial; Bush refused, to protect the sources. While the two officials were waiting to see President Ford, Levi remarked that withholding the documents

"smacked of a Watergate coverup." At this "my patience snapped," writes Bush. "We'll be talking to the President in a few minutes," said Bush, "Why don't you tell him that—in just those words." Both men "cooled down"; Levi "now realized he'd hit a raw nerve" (Bush had been GOP national chairman during Watergate), so Levi sug-

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The New York Times _____
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Date 13 SEP 87

gested working it out without bothering the president. They did: the criminal was convicted without use of the "documents the CIA didn't want to release."

Which George Bush will we see in the coming primary battles with Bob Dole, Jack Kemp and others? Incidentally, I could find no clue as to whether Bush, if he does win the nomination, would be daring enough to offer Elizabeth Dole the number two spot.

The book contains a lot about presidential-vice presidential compatibility, and most of it you've heard many times. There are hints of important issues discussed—but not Iran—at the Thursday Reagan-Bush-only luncheons. Indeed, Bush writes that the Iran-Contra affair was not "just an aberration caused by a particular mix of personalities" but "in some ways, it was an excess waiting to happen." This means, as Bush explains it, that Presidents Kennedy and Johnson had so altered the original concept of the National Security Council that somehow in 1985-86 the staff "took the ultimate step of not only shaping but operating an independent covert action in the foreign-policy area." There's more about Iran but no more light.

Looking Forward was written "with Victor Gold." Vic Gold is a much respected political journalist and political adviser who, in memory, goes back to us boys on the bus during the Goldwater campaign. I kept looking for bits of pure Gold prose but without success. This book sounds like Bush talking or, to give Gold his due, Gold has learned to write the way Bush talks. The *Looking Forward* part really isn't there; that will have to come later in the campaign. The book concludes with questions and answers in which someone (Vic? You wouldn't!) is tossing the softballs and Bush is slamming them true and hard. It ends this way:

Q: Last question. Going back to 1948, the year you left college and went out to Texas. Out of all the things you've done since then—in business, Congress, the U.N., China, the CIA, the vice presidency—what single accomplishment are you proudest of?

GB: The fact that our children still come home.■

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Bush and Dole Trade Barbs on Congress's Foreign Policy Role

By BERNARD WEINRAUB

(Special to The New York Times)

SAN ANTONIO, Tex., Aug. 25 — Vice President Bush attacked Congress today as having "tied the President's hands" and seeking to "micromanage" Administration efforts in the Persian Gulf and Central America.

Bob Dole, the Senate minority leader, who is a key rival to Mr. Bush for the Republican Presidential nomination next year, promptly criticized the Vice President's blunt comments before the 69th national convention of American Legion.

"When he's attacking Congress, he's attacking the Republican leadership in the Senate," Mr. Dole told reporters after speaking to the legionnaires at the Municipal Auditorium here. "I happen to be the leader of that group and we don't think that's an accurate statement."

"If he wants to attack Congress, he ought to tell us in advance he's going after all of us," said an obviously annoyed Mr. Dole. "He shouldn't lump us all together. If he's saying Congress, without any distinction, he's attacking the President's best supporters in Congress."

Dole Increasingly Irked

Asked by reporters about the Bush comments, Mr. Dole first said that perhaps what Mr. Bush said was "partly true" but "it's not a fair accusation." Moments later, as questions persisted about the Bush speech, Mr. Dole spoke in stronger language about the Vice President's comments.

Lee Atwater, campaign manager for Mr. Bush, implied later in the day that the Vice President's attack on Congress was not meant to include conservatives like Mr. Dole.

"The Vice President is obviously referring to big spenders and the big liberals and hopefully Senator Dole doesn't fall into any one of those categories," said Mr. Atwater.

Both men received sustained ovations from the thousands of legionnaires gathered in this sweltering town after the crowd heard speeches that, despite their focus on Central America and East-West relations, were plainly political events tied to the 1988 elections.

Meanwhile, American Legion officials emphasized that the visits of Mr. Bush and Mr. Dole, who are each planning announcements of their candidacies in the fall, were unrelated to the campaign. The officials said that several Democrats, including Senator Sam Nunn of Georgia, former Governor Charles S. Robb of Virginia and Speaker of the House Jim Wright of Texas had also been invited to the convention, but declined to appear.

Officials said that the Democratic and Republican Presidential nominees will be invited to speak at next year's convention.

Doubts on Central America

Both Mr. Bush and Mr. Dole, in their speeches, expressed strong reservations about peace plans for Central America that postpone military aid to the Nicaraguan rebels, or contras, while diplomatic moves are under way.

"What we must resist at all costs is a sham," Mr. Bush said, "an illusion of progress that takes the the pressure off the Sandinistas, cripples the contras and strengthens the Communists' grip in power."

"We cannot — and this Administration will not — simply cut and run" from the contras, he stated.

"In foreign policy and intelligence the relationship between Congress and the President should be a partnership based on honest dealings and mutual respect, not on rigid legislative restrictions that reflect a frozen moment of political consensus," Mr. Bush said. "But with legislation ranging from the War Powers Resolution to the Boland Amendment, Congress has tied the President's hands tighter and tighter in the conduct of foreign policy over the

last 15 years."

The Boland Amendments restricted aid to the contras in a variety of ways from 1983 to 1985. The legislation is named for its sponsor, Representative Edward P. Boland, Democrat of Massachusetts.

The War Powers Resolution requires the Administration to notify Congress that it has introduced forces into a region where hostilities are imminent.

Mr. Bush said that recently 100 legislators "went to court alleging that the deployment of U.S. forces in the Persian Gulf constitutes a violation of the War Powers Resolution."

"What kind of wacky world is this where the President is taken to court every time he moves our troops around?" he said.

Mr. Bush added that a total of "23 committees and 84 subcommittees claim some jurisdiction over international affairs."

"The result has been a series of misguided attempts to micromanage our foreign policy," he said.

The Bush organization, meanwhile, announced that the Vice President would participate in an Oct. 28 debate in Houston on the television program "Firing Line," with other Republican Presidential candidates.

Mr. Dole's speech to the Legion outlined conservative foreign policy views that seemed to mirror those of President Reagan. The Senator made it plain that he viewed the Soviet leader, Mikhail S. Gorbachev, as well as his policy of "glasnost," or openness, with deep suspicion. Mr. Dole went so far as to compare Mr. Gorbachev with the leaders of Libya and Iran.

"The Soviet threat is a lot different in nature than the Iran-Libya threat," he said. "But the basic goal is the same: to get Uncle Sam out of the way. Because once you get rid of Uncle Sam, you've got a clear path to spread whatever brand of aggression and oppression you happen to espouse."

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5 July 1987

Bush Gets Personal in Iowa

Vice President's New Focus in Campaigning Is His Life Story

By David Hoffman
 Washington Post Staff Writer

VAN HORNE, Iowa—Vice President Bush unveiled a new stump speech here last week featuring his life story, from captain of the college baseball team to war hero, businessman, politician, diplomat and loyal vice president to Ronald Reagan.

Bush appears to have set aside for a while the task of articulating his "vision" for the nation and instead is making an unabashedly personal sales pitch that his long and varied resume shows that he would make a good president.

"I think the American people are going to be looking for experience," he said in opening a series of "Ask George Bush" town-meeting style forums in Iowa last week.

"Everything I've done in my life has equated with leadership," he said, "whether it was starting way back in college as captain of our almost national-championship baseball team right up to being the only survivor left on the playing field when Ronald Reagan bowled us all over in 1980."

Bush said he has "experience that not one single candidate, Republican or Democrat, has ever had running for president over the last election, certainly this time, and I really mean it."

The vice president's political strategists have frequently said one

of his strong suits is a "stature advantage" over other candidates, referring to his many jobs in government and politics.

The Iran-contra affair may have clouded this approach somewhat. While Bush has stressed his foreign policy experience, he appears to have acquiesced in one of Reagan's biggest foreign policy blunders, the Iran arms sales, and questions have been raised about the role of two of his aides in helping the secret resupply missions for the Nicaraguan rebels.

As with Reagan, the scandal has left lingering public doubts about whether Bush is telling the truth about the Iran story, according to the latest Washington Post-ABC News poll. Of those questioned in the June 25-29 telephone survey, 52 percent said Bush is not telling the truth, compared with 38 percent who said he is. In January, 43 percent said he is not and 45 percent said he is.

Bush described the Iran arms sales as a "big mistake that was wrong" when asked about it last week, and he insisted that he and Reagan did not know of the diversion of money to the contras.

Earlier this year, as his presidential campaigning began to intensify, Bush gingerly tried at a series of college commencement addresses to start defining his vision for the nation in the years after the Reagan presidency. Now, he says he will wait until after his formal announcement in the fall to offer a detailed program. Instead, he is advertising his resume.

"It starts with a war record," Bush said. "You don't have to have been in combat, as I was, shot down two months after my 20th birthday, but it helps. You have to make decisions about war and peace, committing somebody else's kids . . . to war perhaps, it helps if you've been there yourself, seen your friends die, and I have. I'll lay that out proudly as something that heightens my convictions about strong defense or Persian Gulf or whatever it is—I know more about it than

many that are out there because I've served my country."

As a businessman, Bush said, he learned about government regulation and "I'm head of the deregulation task force for the entire United States for the president. And we've done a good job, and I feel viscerally about doing it and doing a better job at it." Bush was appointed to lead a deregulation task force that largely finished its work in 1983.

As U.S. envoy to China, Bush said he and his wife, Barbara, "lived in a communist country." While other Republicans are talking about fighting communism, "we know a little bit more about it, because we lived there, we saw what it was like, to see a system just bereft of the freedoms that we used to take for granted every day of our lives."

"I think I know more about foreign affairs because I did that, because I was at the U.N., because I ran the CIA," he said. If Reagan gets an arms control agreement, he added, "I think I'd be best to build on it. Not just lecturing about it, but knowing what it is to negotiate with the Soviets, as I did at the U.N., or with the Chinese, when we welcomed them into the U.N., or in China itself."

Bush said some unidentified people have told him to "stay away" from his service as director of the Central Intelligence Agency, but "I don't duck that one—I'm proud of it, very proud of it." He recalled that he ran the Republican National Committee "in a difficult time, Watergate days," and remembered his 1980 presidential campaign in terms of "beating off everybody else that was out there except for one," Reagan.

Bush said little about his role as Reagan's vice president, except to reiterate his view that "loyalty is not a character flaw," repeat some economic statistics of recent years and recall that he has traveled to 74 nations. In the past, Bush has refused to talk about the details of his advice to the president or the decisions he influenced.

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WASHINGTON POST 44

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Bush Says He Led A CIA 'Weakened by 'Untutored Squirts'

Campaigning last week, Vice President Bush attempted to flex a little conservative muscle, but his comments could backfire.

Bush, according to The New York Times, boasted to a GOP audience that he was director of the CIA "at a very difficult time. I went in there when it had been demoralized by the attacks of a bunch of little untutored squirts from Capitol Hill, going out there, looking at these confidential documents without one simple iota of concern for the legitimate national security interests of this country. And I stood up for the CIA then, and I stand up for it now. And defend it. So let the liberals wring their hands and consider it a liability. I consider it a strength."

Bush's remarks seemed clearly directed at the activities of the Senate select committee that investigated the CIA, known as the Church Committee for its chairman, the late senator Frank Church (D-Idaho). In 1975 the panel issued a report highly critical of the CIA.

The report was endorsed by such committee members as Republicans Charles McC. Mathias Jr. (Md.) and Richard S. Schweiker (Pa.), President Reagan's first secretary of health and human services. White House chief of staff Howard H. Baker Jr., then a committee member, said, "The abuses [uncovered by the committee] cannot be condoned and should have been investigated long ago."

Asked whether that "bunch of little untutored squirts" included Baker, Mathias and Schweiker, a Bush aide reported that the vice president "was referring to committee staffers and not to members of Congress."

1/22

Nation

STATINTL

New Look at an Old Failure

An ex-CIA historian fights to air his version of the Bay of Pigs

As the nation picks through the wreckage of the Iran-*contra* affair for lessons, a dispute is brewing within the intelligence community that could throw new light on the granddaddy of all covert-action fiascos: the Bay of Pigs.

The CIA's former chief historian, Jack Pfeiffer, is suing to force the release of his detailed and still classified studies on the invasion, which challenge the conventional historical wisdom about why it failed.

Previous historians have tended to place most of the blame on the CIA's deputy director for planning, Richard Bissell. His penchant for secrecy, they say, led him to keep the agency's intelligence division and other military analysts pretty much in the dark, thus resulting in a poor assessment of the risks involved. Indeed, a still secret case study prepared for the Tower commission, one of a series that sought to compare previous covert activities with the Iran-*contra* affair, also attributes the Bay of Pigs failure to excessive secrecy of CIA planners and lack of adequate review by intelligence experts.

In fact, Pfeiffer argues, a series of meetings and memos shows that senior officials of the CIA's intelligence division and Pentagon planners were briefed at all stages of the discussion. According to Pfeiffer, the conventional view casting Bissell as the villain of the tale is reflected in a damning report by the CIA's inspector general at the time, Lyman Kirkpatrick. Although Kirkpatrick, 70, who resigned from the CIA in 1965, ordered the destruction of all the records on which his report was based, Pfeiffer managed to uncover the material. He says it led him to conclude that Kirkpatrick had deliberately skewed the report to discredit Bissell, who was his rival for the position of CIA director.

Kirkpatrick defends his original assessment. "Bissell was running it [with a group] that was cut off from everyone who



Historian Pfeiffer

should have assessed the plan." Denying that his conclusions were based on personal rivalry, Kirkpatrick argues. "Bissell and I were friends." Bissell, 77, who was eased out of the agency in 1962 and until now has never publicly defended his role, comments dryly. "That's not the case."

In his view, and that of Historian Pfeiffer, the reason that the Bay of Pigs failed was not because the machinery of Government was short-circuited. Rather, it was a case in which the entire system worked the way it was supposed to—and produced a fiasco.

The newly elected President, John Kennedy, was adamant about not involving American forces. Indeed, he insisted on hiding any evidence of American support for the exile army. For that reason the White House decided to cancel crucial air strikes and change the site of the landing from the town of Trinidad, at the foot of the central mountains, to the quieter venue of the Bay of Pigs. It was these decisions, Pfeiffer argues, rather than a faulty process of consultations, that doomed the operation from the start.

The Navy was ready in case Kennedy decided to lift his ban on direct U.S. involvement. Bissell revealed in his interview with TIME. As the Cuban exiles went ashore that moonless night in April 1961, a force of about 1,500 Marines waited on a ship near the coast. Admiral Arleigh Burke, Chief of Naval Operations at the time, confirms this previously unreported deployment. The Marines were "available," says Burke, now 85. "These things are just a general military precaution."

After 25 years, Pfeiffer thinks it is time for his own studies of the fiasco to be made public. "Kirkpatrick's order to destroy the documents was outrageous," he commented last week. "What's to say the CIA's records on the Iran-*contra* matter won't disappear the same way?"

—By Jay Peterzell/Washington

BOMBSHELL MEMO LINKS BUSH STAFF TO IRANSCAM

STATINTL

By ELI TEIBER, Post Correspondent

WASHINGTON — A politically explosive memo suggesting that Vice President George Bush's staff knew about "Iran scam" last summer was released by congressional probers yesterday.

The stunning memo — telling of profits from secret Iran arms sales being diverted to the Nicaraguan rebels known as contras — emerged during questioning of former CIA agent Felix Rodriguez.

Rodriguez met with Donald Gregg, Bush's national security adviser, last August.

In his notes on the meeting, Gregg wrote: "A swap of weapons for \$ was arranged to get aid for contras. Cline and Gen. Secord tied in." (The memo just used a dollar sign.)

The meeting was held more than three months before Attorney General Edwin Meese publicly disclosed the contra-Iran arms connection.

The Post reported May 15 that a key part of Gregg's official



GEORGE BUSH
Top aide "knew."

chronology of Bush's Iran scam role would be "flatly contradicted" by Rodriguez.

Gregg's notes are the strongest hint yet that one of Bush's top aides was aware of a

scheme officially described by the White House as a renegade operation.

It also draws Bush deeper into the Iran scam morass — which could damage his presidential campaign.

Bush's office refused to comment on the revelations but suggested that testimony "may yet be contradicted or modified by later testimony."

Rodriguez, who served as El Salvador liaison for the private contra supply pipeline, said he wanted to tell Gregg of his suspicions that the operation was overcharging the contras and that key players were linked to jailed CIA renegade Edwin Wilson.

But he denied discussing any links to an arms swap with Gregg and could not explain how it ended up in an account of their conversation.

Meanwhile, Lewis Tamba, former U.S. ambassador to Costa Rica, testified that he aided "private patriotic Americans" in setting up contra operations near the Nicaraguan border.

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WASHINGTON TIMES
28 May 1987

Agent quotes North's boast of protection by president

By Mary Belcher
THE WASHINGTON TIMES

Lt. Col. Oliver North once bragged that President Reagan was protecting him from Congress, a former CIA agent involved in secret supply missions to the Nicaraguan Contras testified yesterday.

Felix Rodriguez, who was a contact between private Contra suppliers and officials at Ilopango Air Base in El Salvador, also told the congressional Iran-Contra investigative committee that he met with Vice President George Bush twice in 1986. But he denied having discussed the secret missions with the vice president.

Mr. Rodriguez, a Cuban expatriate who also went by the name Max Gomez, told the panel he expressed to Col. North in June 1986 his concerns about shoddy equipment and overpriced weapons being supplied to the Contras by retired Air Force Maj. Gen. Richard Secord.

At that meeting in the Old Executive Office Building, Mr. Rodriguez said he warned Col. North that "it's going to be worse than Watergate" if the Secord operation was exposed.

Col. North, who was unreceptive to the former agent's concerns, later pointed to a televised congressional debate on Contra aid and said, "Those people want me, but they cannot touch me because the old man loves my ass," Mr. Rodriguez testified.

Col. North, who was fired from the National Security Council staff last November when the Iran-Contra affair was exposed, was the subject of congressional scrutiny in 1985 and 1986, when reports of his pro-Contra activities continued to surface during a two-year ban on U.S. aid.

Mr. Rodriguez met with Mr. Bush at the White House in May 1986, after telling Col. North he wanted out of the Contra supply operation. During the meeting with the vice president, Mr. Rodriguez said, he decided not to abandon his position as the liaison to Salvadoran officials.

But Mr. Rodriguez said he did not discuss with Mr. Bush the private supply missions. Instead, he said, he showed the vice president pictures of a helicopter operation he was performing to help El Salvador rout

communist guerrillas.

He met with Mr. Bush in Miami later in May for a photo-taking session with his family, Mr. Rodriguez said.

He also described several encounters with longtime friend **Donald Gregg**, the vice president's national security adviser. At an August 1986 meeting in Washington, Mr. Rodriguez told Mr. Gregg the Secord operation was charging the Contras \$9 for \$3 hand grenades and that the equipment being used for supply missions was in disrepair.

He also expressed concern that Col. North had fallen in with bad company — namely Secord associate **Thomas Clines**, who had been involved with convicted arms dealer Edwin Wilson.

Mr. Rodriguez' ties to the vice president's office were troublesome to the Secord operation, according to yesterday morning's testimony by retired Air Force Col. Robert Dutton, who between May and November 1986 oversaw Contra supply missions out of El Salvador for Gen. Secord.

When the Southern Air Transport plane carrying Eugene Hasenfus was shot down in Nicaragua in early October 1986, Mr. Rodriguez provided the vice president's office with the wrong names of the four fatalities in the crash, Col. Dutton told the Iran-Contra panel.

Mr. Rodriguez, who had fought communist opponents around the world as a CIA agent since 1960, became involved in a power struggle with Col. Dutton for control of the Contra supply operation. It peaked in late August 1986, when Mr. Rodriguez apparently pirated a Secord-owned plane from Miami to El Salvador, intending to start his own supply missions.

"He didn't want to work for anybody," Col. Dutton testified.

Also, he said, Mr. Rodriguez did little to soothe the often "touchy" relations between Ilopango Air Base officials and the Secord operation. Air base officials frequently locked the gate to the runway so that supply crews could not even reach the aircraft.

Col. Dutton said he refused Mr. Rodriguez' requests for a \$10,000 emergency fund and control of a \$50,000 airplane-fuel fund.

In June 1986, Col. North called Mr. Rodriguez and Col. Dutton to his White House office, where he tried to rein in Mr. Rodriguez and explain to him his role as a "host liaison" for the supply mission. Col. North also chastised Mr. Rodriguez for using an unsecure phone line to discuss the operation.

After meeting with Col. North,

Mr. Rodriguez was accompanied by Col. Dutton to see Samuel Watson in the vice president's office. Mr. Watson, an aide to Mr. Gregg, and Mr. Rodriguez privately discussed his counterinsurgency efforts in El Salvador, according to Mr. Rodriguez.

Col. Dutton, who has been granted immunity from prosecution by independent counsel Lawrence Walsh and limited immunity by the Iran-Contra committee, discussed the day-to-day operations of the Contra supply effort. He said he received \$5,000 a month from Gen. Secord's firm, Stanford Technology Trading Group International in Virginia.

In one unusual incident, he said, a Secord secretary, Shirley Napier, was sent to Miami to pick up a package at Southern Air Transport. He said Miss Napier delivered the package to Col. North's secretary, Fawn Hall, at the White House.

Col. Dutton, who could not recall the date of Miss Napier's trip to Miami, said he did not know until she returned to Washington that she had picked up and delivered \$16,000 in cash. He said he learned what the package contained because she signed a receipt for its contents in Miami.

He told the committee Gen. Secord assured him that the operation was legal, as long as no American troops were transported to Nicaragua by the private air missions.

Col. Dutton, a veteran of covert operations during his 26 years in the Air Force, said he regarded Col. North and Gen. Secord as commanders in the Contra supply effort.

Col. North had "very broad contact at the highest levels," Col. Dutton said. He said Col. North apparently had contacted Attorney General Edwin Meese III to postpone federal investigations in Miami of Southern Air Transport, which was being used for both the Contra missions and to ship U.S. weapons to Iran.

He said Col. North referred to then CIA Director William Casey as "Bill."

And, according to Col. Dutton, Col. North told him: "Bob, you're never going to get a medal for this, but some day the president will shake your hand and thank you."

After repeated trials and tribulations, airlift missions to the Contras' southern front finally became regular in September 1986, Col. Dutton testified.

Continued

Congress had approved \$100 million in Contra aid, which was to begin flowing in October 1986, and the Secord operation was contemplating that the CIA would take over the air-lifts, he recalled.

He denied that he had proposed that the CIA buy the operation for about \$4 million, although Gen. Secord testified four weeks ago that such an option had been suggested by the colonel.

Col. Dutton also told the committee he had prepared a photo album of the operation — with snapshots of where supplies had been dropped and the four planes that were used — and presented it to Col. North, who said he would "show it to the top boss."

In a day of often-drab testimony, an FBI agent assigned to the independent counsel's office appeared behind Col. Dutton and handed him the photo album. Col. Dutton flipped through the laminated pages bearing colored photos, commenting that it had been dirtied with what appeared to be fingerprint powder.

Briefly describing a trip to Beirut in November 1986, Col. Dutton shed new light on what American hostages knew about the shipment of arms to Iran.

Before a five-hour debriefing of then-newly released hostage David Jacobsen, Col. Dutton said the White House expected two more hostages to be released as well. "In debriefing, David told us from his information, he didn't believe that we would get the other two [hostages] until another [arms] shipment was made," Col. Dutton testified.

The strategic planning of the Iran-contra operation

OLLIE'S BLUEPRINT

STATINTL

By JEFFERSON MORLEY

THE MOST interesting question of the Iran-contra affair is not how high the official misdeeds went but how low. The active involvement of President Reagan is now apparent. The Tower Commission documented how his closest aides received presidential direction on even small details of the Iranian arms deal. The guilty plea of Carl "Spitz" Channell, a right-wing fund-raiser, also implicates the president. Channell brought wealthy donors to meet with Reagan in the Oval Office. Reagan denies knowing what the money would be used for. But Oliver North wrote to John Poindexter in May 1986 that "the president obviously knows why he has been meeting with several select people to thank them for their 'support for Democracy' in Cent[ral] Am[erica]."

Much less obvious is how the Reagan administration managed to execute the clandestine foreign policies that Congress had specifically forbidden. How did the administration enlist so many people in the arms-for-hostages deal and the secret *contra* war, and how did it coordinate their far-flung activities? If only logistically, these operations were impressive.

Thus far Congress and the media have tried three different theories of how the scandal happened. The first was that North and other National Security Council "cow-boys" were "out of control." This theory has been discarded as it has become clear that North kept his superiors well-informed of his adventures. The second is that the NSC staff was "inept." The problem with this theory is that for all their alleged ineptitude the White House ran a full-scale multimillion-dollar guerrilla war in defiance of an explicit congressional prohibition. A third possibility is now beginning to dawn on the Washington press corps. "Did the president and a few trusted advisers operate in a calculated manner outside the law and their own regulations . . . ?" the *Washington Post* asked on the eve of the congressional hearings.

The president did, and he had the help not merely of "a few trusted advisers" but of dozens of administration officials. As early as March 1983—a full year before most press accounts say the scandal began—administration officials were devising the strategies that would be used in both the Iranian arms deal and the *contra* war. Moreover, they did so publicly and in accordance with Reagan's ideology. One example of such strategic planning was a conference on "Special Operations in U.S. Strategy" held in Washington on March 4 and 5, 1983.

The stated purpose of the conference was "to focus attention on a larger potential role for special operations in

the 1980s." It was sponsored by a non-partisan think tank called the National Strategy Information Center, by Georgetown University, and by the National Defense University. In attendance were about 125 military officers, intelligence agents, Reagan administration officials, Pentagon consultants, and conservative journalists. An obscure major from the staff of the National Security Council named Oliver North was in the audience.

The national security bureaucrats who attended this gathering hammered out in fairly precise detail many of the different strategies Oliver North later used to execute President Reagan's clandestine foreign policies between 1983 and 1986. The conference was no secret: an edited version of the proceedings was published by the government. Thus while reporters scramble for high-level sources and senators grill witnesses, a blueprint for the scandal entitled *Special Operations in U.S. Strategy* (now in its second printing) is available for \$4.25 from the Government Printing Office.

Special operations were a staple in the Reagan military buildup. Such operations, in the words of one speaker at the conference, are "small-scale, clandestine, covert or overt operations of an unorthodox and frequently high-risk nature, undertaken to achieve significant political or military objectives in support of foreign policy." The administration has nearly doubled spending on U.S. Special Forces, the military unit specifically designed for special operations. While this buildup was applauded by the conference participants, it was seen as only a first step toward effectively integrating special operations into U.S. foreign policy.

It is no surprise that North was interested. He reportedly conducted special operations in Vietnam and earned several medals, before being relieved of his duties for emotional distress. He returned to active duty and in 1981 was appointed to the NSC (the hospitalization having been purged from his file), where he would become deputy director of "political-military affairs." The prevailing tone of the conference was also no doubt congenial to North. In his portentous keynote address, Secretary of the Army John O. Marsh Jr. declared, "The die for our society may well be cast within the next few years. . . . The Visigoth and the Vandal are with us yet." Sound familiar? Sure: this is just how Ollie North talks.

The timing of the conference was important too. In March 1983 the administration was in the throes of overhauling its Central America military policy. That month the U.S. ambassador to the United Nations, Jeane Kirkpatrick, returned from a trip to the region and declared that it was "in crisis." Two years of Reagan policy in Central

America had not made much progress. In Nicaragua, the *contras* were not going to topple the Sandinistas by the summer of 1983 (as CIA officials had predicted), and in El Salvador, the armed forces were killing thousands of civilians but still losing ground to leftist insurgents.

The administration's first step in solving the problem was the creation of the Kissinger Commission in June 1983, which President Reagan described as "a means of building a national consensus on a comprehensive United States policy for the region." Militarily, policy-makers wanted to increase aid to the *contras* and embark on what the Kissinger Commission called an "enlightened counterinsurgency campaign" in El Salvador. But the bigger problem was political. The administration needed to overcome substantial and persistent public reluctance to become militarily involved.

The special operations conference was based on the premise that the military methods had to be tailored to the political realities of the 1980s. In the words of the conference organizers, "an untutored American public" showed "little enthusiasm for unconventional acts in time of 'formal peace.'" As a result, they said, "The United States must develop diverse and even novel ways to defend its economic and geopolitical interests when these are affected by unconventional conflicts, especially in the Third World."

The discussion of these strategies took two forms at the conference. The first was a replay of the long-standing "hearts and minds" debate among U.S. military strategists. The second debate concerned the difficulties of conducting special operations within the constraints of U.S. public opinion.

Edward Luttwak, a civilian strategist and Pentagon consultant on Central America, thought the desire to win hearts and minds distracted from military goals. He expressed admiration for the single-mindedness of the armed forces of Guatemala. "Even a bad army can win a guerrilla war," Luttwak observed, "if it uses the appropriate tactics and methods systematically." At the time, the Guatemalan army's tactics (according to the Organization of American States) included "the destruction, burning, and plundering of entire campesino villages." Douglas Blaufarb, a former CIA official, disagreed with Luttwak's thesis. "To destroy homes and property, to kill and maim the civilian population is counterproductive," he suggested. Excessive brutality, Blaufarb suggested, was why "the results of our security assistance continue to disappoint us" in El Salvador. (Luttwak said the problem in El Salvador was just the opposite: insufficient "determination to win.")

The second, more extensive and more interesting discussion concerned how to deal with North American hearts and minds. It was launched by William V. O'Brien, identified as a professor of government at Georgetown University, in his lecture on "Special Operations in the 1980s: American Moral, Legal, Political, and Cultural Constraints." Over the course of the conference, O'Brien and others applauded the administration's efforts to coax the public and the Pentagon out of their post-Vietnam reluctance to intervene militarily. But most of the participants were pessimis-

tic that such efforts would succeed. Theodore Shackley, another former high-ranking CIA official, noted that "an innate dislike for special operations by the mainstream of American political life will, perforce, limit Washington to a defensive mode in considering irregular warfare options."

A ROUGH CONSENSUS was reached on the need to proceed quietly. A retired British officer suggested that if public opinion could not be won over, elite opinion might be. "The concept of special operations as required today must be marketed and sold—in a subtle way perhaps—to generals, admirals, Cabinet members, congressmen, and ambassadors," he said. Blaufarb recommended that any initiative to upgrade and consolidate special operations "should be kept low-key, with a minimum of fanfare." Blaufarb noted that "as program proposals emerge, the question of funding would certainly come to the fore" but suggested that "the relatively modest amounts involved" would not arouse public ire. With such an organization in place, pre-emptive special operations could win public approval after the fact. "It is a hard, but true, fact of life," Professor O'Brien noted, "that success overcomes a lot of moral, legal, political, and cultural scruples."

Marsh himself suggested one Reaganesque way to transcend what he delicately described as the "limitations of our current defense structure." He proposed transferring some of the tasks of special operations to the private sector. (As one right-wing analyst with a knack for self-parody describes it, "Privatizing the Reagan Doctrine.") Marsh cited "economic, political, and psychological warfare" in particular. "This is an enormous area in which private sector resources can be used," he said.

By common consent, the top priority was to create what Roger M. Pezzelle, a former aide to the Joint Chiefs of Staff, called "a joint special operations organization at the national level." Shackley envisioned "a special element of government dedicated to the multiple tasks of counterinsurgency, guerrilla warfare, and anti-terrorist operations." He said it "might bring a fresh and dynamic approach to these pressing needs."

Many participants, though, argued that rivalries between the Pentagon, State Department, intelligence community, and other agencies would probably kill any formal initiative. There had to be a new bureaucratic nerve center. John Norton Moore, identified as a law professor from the University of Virginia, argued for "improved control mechanisms . . . at levels above those of the armed forces." Blaufarb made Moore's implication explicit by saying that the only special operations command with the "necessary authority" to overcome bureaucratic rivalries and Pentagon resistance "probably would have to be located in the White House staff, which means the National Security Council." He added that "unless the highest authority, namely the president, gives his strong support" the venture would probably fail.

In the final discussion of the conference, devoted to "organizational strategy," participants developed the concept. Kenneth Bergquist, a deputy assistant secretary of the

Army, said that special operations commanders "should work within the system—if necessary by expanding the size and resources of the NSC." Sam Sarkesian, a political scientist, stressed that whatever reforms were adopted, one task was essential: "To devise an organizational strategy that is linked to the existing system, but one that provides enough freedom of maneuver for developing flexible and imaginative responses."

Sarkesian and Bergquist agreed that unconventional tactics had to be used not only against America's adversaries but on the American political system itself. Sarkesian said that if the existing structure of the NSC could not be changed, he would favor "the gadfly approach—the insertion of specialists within the existing system to goad and pressure those in command to make the right decisions." Bergquist agreed. By "using special operations techniques on the system, the system could probably be made to work," he said.

During this discussion, someone identified as a member of the NSC staff, probably North himself, spoke up. The conference proceedings state: "Citing his own experience with the National Security Council and its small staff, he saw the latter as incapable—even with strong support from the president—of doing more than setting broad policy and issue decision documents." Specifically, this NSC staff member said, "Serious coordination of the myriad intelligence agencies and State and Defense department components is beyond their [the NSC staffers'] capability." He added his view that any new unified special operations command had to include psychological operations and psychological warfare. It is not absolutely certain that the speaker was North (there was one other NSC staff member present), but it certainly sounds like him, especially given North's fondness for psychological operations.

IT IS CERTAIN that by 1983 North was gaining influence on the administration's Central America policy. In the summer of 1983 North accompanied the Kissinger Commission on its tour of Central America. (In Nicaragua North quipped that he was the advance man for the U.S. invasion.) In October 1983 North gained prestige for his still-shadowy role in the invasion of Grenada. And in December 1983 North accompanied Vice President Bush on an important mission to El Salvador. By early 1984 North had reportedly sent national security adviser Robert McFarlane a memo proposing the creation of a private aid network for the *contras*. According to Associated Press reporters Robert Parry and Brian Barger, McFarlane then orally briefed Reagan on the plan and Reagan approved. By late 1984 something resembling "a joint special operations organization at the national level" was functioning and under North's control.

North's synthesis of the ideas presented at the conference was at once obvious and ingenious (although the participants had not advocated that U.S. law be broken). North combined "private sector resources" (as Marsh suggested) with a "gadfly" network "to goad and pressure" the State Department, Pentagon, and intelligence community (as Sarkesian proposed).

to effectively expand "the size and the resources" of the NSC staff (as Bergquist suggested) and still keep the whole operation "low-key" (as Blaufarb urged). When "the question of funding came to the fore," (as Blaufarb predicted), North avoided the controversy of using government funds by diverting the profits of the Iran arms deal into the *contra* operation.

In Shackley's prescription cum description, North's operation was "dedicated to the multiple tasks of counterinsurgency, guerrilla warfare, and anti-terrorist operations." North was attempting to direct the "enlightened counterinsurgency effort" in El Salvador, to assist the *contras* in their guerrilla war, and to conduct anti-terrorist operations in the Middle East.

INDEED, Shackley, Sarkesian, and Luttwak seem to have been part of the "special element" that was "linked to the existing system." Shackley is a legendary figure who ran the CIA's covert war in Laos in the mid-1960s. While there he met Richard Secord, North's right-hand man in setting up the Iran arms deal and the secret *contra* network. Ousted from the CIA during the Carter years, Shackley has since been involved in shady dealings in the Middle East. No surprise, then, that the Tower Commission discovered that the first person to put the NSC in contact with Iranians interested in dealing arms for hostages in late 1984 was one Theodore Shackley.

Luttwak and Sarkesian also worked closely with North and other gadflies who wanted to prod the bureaucracy to execute the clandestine policy. The two consultants were named to a seven-member panel (which included at least three other close friends of North's) on a top-secret mission to El Salvador in August 1984. The panel produced a classified seven-page report that is reportedly highly critical of the Pentagon's unimaginative tactics.

Through Carl Channell, North tapped "private sector resources" to buy weapons for the *contras*. North also used his private aid to wage "political and psychological warfare," as Marsh had recommended. He relied on Channell to produce television ads attacking the foes of aid to the *contras*. (The "untutored public" didn't learn its lesson: almost all of the *contra* opponents targeted by Channell were re-elected.) More effective was North's funding of moderate Nicaraguan opposition politicians and Washington policy intellectuals who could articulate the case for administration policy among the capital elite. In this way, the idea of North's special operation command was, as the British gentleman urged, "marketed and sold—in a subtle way perhaps" to a Washington elite that had previously deferred to public opinion.

And the ingredient that made it possible to wage a secret war and sell arms to the Iranians was "the White House leadership" that Blaufarb, Sarkesian, and others recognized was so important. This was the ultimate improvement in "control mechanisms . . . at levels above those of the armed forces." The professor of government had it right: "success" overcame a lot of moral, legal, cultural, and

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Bush: strong covert capabilities are "absolutely essential"

By SEENA D. GRESSIN

NEW YORK

Vice President George Bush warned Thursday against weakening the nation's covert capabilities, calling effective intelligence operations "absolutely essential" to the country's survival.

While not specifically mentioning the Iran arms-Contra scandal, the vice president and former head of the CIA noted covert operations have increasingly come under fire. He said such activities must be within legal bounds but that the ability to carry out secret operations should be strengthened rather than weakened.

"A strong intelligence capability, second to none, is absolutely essential to the survival of the United States," he said. "We must not decimate the front line and that is the intelligence community."

Speaking at a fundraiser for his bid for the 1988 Republican nomination, Bush noted no incumbent vice president has successfully run for president since Martin Van Buren in 1782, largely because the vice president is "stripped to some degree of his own identity."

However, he sought to assure 850 supporters at the \$1,000-a-plate luncheon at the Waldorf-Astoria Hotel that "myths are made to be broken" and that while he will remain loyal to President Reagan, he also will set his own agenda once he formally becomes a candidate.

"The agenda is there and I will establish my own priorities based on experience and based on conviction," he said.

Among top priorities will be support for education, which he called the "best poverty program," the battle against AIDS, creation of new jobs and efforts to eliminate all chemical weapons and reduce nuclear arsenals.

On jobs, Bush said, "I don't think there are any radical new answers" but "I think it's essential to hold the line on taxes," as part of policies to encourage the economy.

On AIDS, Bush said the United States must lead the battle against the deadly disease.

"It's going to mean more federal money for research, it's going to mean more education," he said. "Not that the family values or the church values or the neighborhood values have to be eroded out but it means using the White House as a bully pulpit to help educate, not just in the United States but around the world."

The event raised at least \$875,000, bringing Bush's campaign war chest to more than \$6 million, said Fred Bush, deputy finance chairman for the campaign and unrelated to the vice president.

The event marked the debut of a giant model of the front of the White House, complete with foliage, covering the stage of the Waldorf-Astoria's grand ballroom.

Fred Bush said the Bush campaign "wanted to make an especially good impression here and we wanted to give New York a special look," and so decided to bring the model at a cost of \$6,000.

The campaign has already held some 30 major fundraisers this year and expects to hold about 80 by year's end but the New York event was one of the largest planned, he said.

WASHINGTON POST
15 May 1987ARTICLE APPEARED
ON PAGE A16

Bush's Office Revises Rodriguez Chronology

Vice President's Staff Says Aide Met Last June With Contra Resupply Operative

By David Hoffman
Washington Post Staff Writer

The office of Vice President Bush disclosed yesterday that it had failed to report on a meeting last June between one of Bush's national security advisers and Felix I. Rodriguez, an operative in the secret resupply mission for the Nicaraguan contras.

Bush has maintained he provided "full disclosure" of his and his staff's contacts with Rodriguez, a former CIA official, in a chronology issued last Dec. 15. This is the second time the Bush staff has acknowledged that the chronology was incomplete.

Bush has repeatedly said that his office was not directing or coordinating the resupply missions, which occurred at a time when Congress had cut off military aid to the contras.

Bush's counsel, C. Boyden Gray, disclosed that the December chronology omitted mention of a meeting between Rodriguez and Army Col. Samuel J. Watson, deputy national security adviser to Bush. The meeting occurred June 25 in Watson's office in the Old Executive Office Building.

Gray said the meeting was overlooked because it was recorded in Watson's personal files and was not on his official daily schedule.

Gray said Rodriguez was accompanied to the office by retired Air Force colonel Robert Dutton, who worked on the resupply missions with retired Air Force major general Richard V. Secord and National Security Council aide Lt. Col. Oliver L. North, who was fired in November. Dutton did not participate in the 20-minute meeting with Rod-

riguez and Watson, Gray said. Rodriguez and Dutton came to the office, however, after meeting with North elsewhere in the White House complex, another source said.

Bush's national security adviser, Donald P. Gregg, has maintained that he and his staff did not discuss with Rodriguez the secret resupply mission for the contras until last Aug. 8. Gregg has said that numerous contacts with Rodriguez concerned his activities helping the El Salvadoran Air Force conduct counterinsurgency raids against leftist guerrillas.

Rodriguez, a longtime friend of Gregg who served with him in Vietnam, had been sent to El Salvador with the recommendation of Gregg and Bush to help fight the Salvadoran insurgency. However, according to a letter recently made public,

Rodriguez was secretly recruited in September 1985 by North to help him set up the resupply missions at the same time, working from the Salvadoran Air Force base at Ilopango.

When one of the resupply planes crashed over Nicaragua last October, the first word came from Rodriguez to Watson, according to the Bush chronology.

Gray said yesterday that Watson maintains that the omitted June 25 meeting was about counterinsurgency in El Salvador, not about the contras. However, Watson has no notes or documents to verify what was said. Rather, he turned over to investigators a pocket-size card showing his schedule for the day in which he noted in handwriting, "1:30—Felix."

In a written statement, Gray said

a search of Bush's files shows that the vice president never talked about the contras with Rodriguez. Bush met Rodriguez three times in 1985 and 1986. The statement also said Gregg was "never involved" in "directing, coordinating or approving military aid to the contras in Nicaragua."

Gray also said that the vice president was unaware of the omitted June 25 meeting.

Gregg has acknowledged that his friend Rodriguez came to him last Aug. 8 to tell him of problems in the resupply operation and that, in response, Gregg convened a meeting of administration officials in his office four days later.

Gray said yesterday that Rodriguez and Watson talked about the Salvadoran military's need for helicopter parts from the United States, a subject that, according to the chronology, they also discussed on April 30.

Gray said Gregg was in Jordan at the time of the June visit and that the vice president did not see Rodriguez then. Secord had made a reference to a possible meeting with Bush in his testimony last week.

After the chronology was issued Dec. 15, Bush aides admitted that it omitted two trips that Watson made to contra training camps in Honduras.

Gregg initially denied to reporters that he ever talked about the contras with Rodriguez, also known as Max Gomez. "The only thing that I talked to Max about was his involvement in the insurgency in El Salvador," Gregg said then. He later acknowledged talking with Rodriguez about the contras.

The vice president has defended Gregg and said he was "not in the least bit troubled" by his aide's actions.

However, some other Bush advisers have pressed for Gregg's resignation. Gregg has said he twice offered to resign but has since decided not to because it would cause Bush more harm than good. Other officials have said that Bush would not ask for Gregg's resignation. Gregg did not return a call for comment.

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14 May 1987ARTICLE APPEARED
ON PAGE 6**PAGE
SIX*****Bush readies his obligatory bio***

GEORGE Bush will have his autobiography on bookstore shelves by September, in plenty of time to woo voters for the '88 race. The book, from Doubleday, will no doubt also give his version of Iranscam, which is threatening to damage his political standing. "There will be some new revelations," a publishing source told PAGE SIX. "But this isn't a David Stockman book. Because he's still in office, there are obviously some things he can't say." For instance, the source said, to get George's feelings about Ronald Reagan "you have to read between the lines." The book was originally contracted for 10 years ago, after Bush quit as director of the CIA. Since he was a friend of Nelson Doubleday, the house didn't pressure him to deliver anything and he finally got down to work — with the help of journalist Victor Gold — in 1985. Doubleday won't say what it paid to get his typewriter cranked up. But the Los Angeles Times reports that his contract was renegotiated, with the VP pledging his earnings from it to leukemia research (he lost a daughter to the disease) and the United Negro College Fund. "Looking Forward," as it's being called, won't be a "campaign tract as such," Gold pledged. Still, since Bush is a presidential prospect, the book certainly will be scrutinized for clues to his character — and to his relationship with his wife. "It's not dwelled on, but the early part of the book reflects that she was a big influence on him," the publishing source said. One time he presumably had to listen to her was when, aged 24, he passed out, dead drunk, at a Texas Christmas party. Pals trucked him home, dumped him on the lawn and announced "well, there's George" when Barbara opened the door.

Fight brews

MAGGIE Thatcher vs the First Amendment? As PAGE SIX predicted, Viking is rushing out "Spycatcher," the explosive book about espionage that the PM suppressed by going to court in Britain and Australia. "There's a lot of material in this book that's of interest to an American audience because the author [ex-MI5 spook Peter Wright] interfaced with high levels of the FBI and CIA," said Viking president Alan Kellock. He intends to have the book in the stores by the end of June and thinks Maggie will have a hard time stopping him. "We've taken a lot of legal advice and feel we're fully protected. This is very much a First Amendment issue," he said.

By RICHARD JOHNSON

Aides to the President and Vice President Are Braced for Bombshells

By GERALD M. BOYD
 Special to The New York Times

WASHINGTON, May 9 — The good news, aides to Vice President Bush say, is that no evidence exists to corroborate claims by a retired Air Force general that Mr. Bush knew of a covert program to supply weapons to Nicaraguan insurgents.

The bad news is that the man who made the claims, Richard V. Secord, is only the first witness to testify at the Congressional hearings on the Iran-contra affair.

With the hearings scheduled to stretch into the summer, aides to Mr. Bush are bracing for other witnesses and other claims. But they are also arguing that such assertions will also go uncorroborated.

"Let's wait until it happens," a spokesman, Larry Thomas, said of the possibility that Mr. Bush and his campaign for the 1988 Republican Presidential nomination might be damaged by disclosures from the televised hearings that are bringing the secret policy into the open.

On Friday Mr. Bush's office took the unusual step of releasing a letter the Vice President received recently from a central figure in the affair, the Saudi arms merchant Adnan M. Khashoggi, that they said supported their denials of an article published by The Washington Times in March. The article, based on an interview with Mr. Khashoggi, contended that Mr. Bush had been trying "to raise money right and left" for the rebels.

Mr. Khashoggi wrote that he "wanted to set the record straight" and that the "whole episode" had been blown out of proportion. He said he had been "misunderstood" and "exploited" by the newspaper.

The Presidential commission that investigated the scandal portrayed

Mr. Bush's role in the sale of arms to Iran as minor. But it left unanswered many questions concerning the diversion of profits to the Nicaraguan insurgents, including questions about a private network that supplied weapons to the rebels during a period in which Congress had banned such assistance by the Government.

Although Mr. Bush, a former Director of Central Intelligence, has denied involvement in the supply network, he has been a target of public and Congressional suspicion based on circumstantial evidence. For example, when a rebel supply plane was shot down in Nicaragua last October, aides on his staff were the first United States officials to be notified.

In addition, the Vice President has acknowledged meeting in September 1986 with a C.I.A. operative, Felix Rodriguez, who was coordinating a private airlift operation for the rebels, based in El Salvador. Mr. Bush has said that he and Mr. Rodriguez did not discuss the covert program.

Mr. Secord testified that John Dutton, a retired military officer who worked with him on the airlift operation, told him that he escorted Mr. Rodriguez to the Vice President's office in early August 1986 for a meeting.

Bush aides dispute that account. One top aide said that a check of White House entry logs for August had found no record of a visit by Mr. Dutton. In addition, the staff examined Mr. Bush's schedule for August and found that on Aug. 8, the day that Mr. Rodriguez met with two top Bush assistants, the Vice President had left Washington for his home in Kennebunkport, Me., the aide said.

Mr. Thomas, the Bush spokesman, said of General Secord's testimony: "He's misinformed, and his source or friend is mistaken. Left unchallenged or unsubstantiated they could hurt, but we are confident that the truth is different and that it will come out as a result of the entire hearings."

But some advisers who asked not to be identified accept the possibility that Mr. Dutton might support the Secord account if called to testify.

Since the scandal came to public attention last fall, Mr. Bush has dropped in public opinion polls, although the latest New York Times/CBS News Poll showed that he has gained strength in the last two months. The sampling, taken Tuesday and Wednesday of 234 registered Republican voters, found Mr. Bush the choice of 41 percent, compared to a preference of 33 percent in a similar poll in March. The next choice in the more recent poll was Senator Bob Dole of Kansas with 18 percent.

Incumbency an Asset?

Even so, many political strategists believe that the Iran-contra scandal could have a major impact on the Vice President's election prospects, although aides have argued that it is less an issue outside Washington than it is inside the capital.

"It's clear on the Republican side in 1988, George Bush's Vice Presidency incumbency is turning out not to be a strategic asset," said Kevin P. Phillips, a Republican political strategist, "principally because it spotlights the Vice President's lack of independence and subjects him from fallout from the Iran affair."

Mr. Bush's aides have responded with a strategy that displays willingness to provide information on his role. But often it is forthcoming only after public disclosures have been made about his activities.

For example, after the meeting with Mr. Rodriguez had become known they released a chronology that they said covered all the contacts among the C.I.A. operative, Mr. Bush and his staff. Similarly, they made no mention that Mr. Bush had praised a key player in the arms deals, Lieut. Oliver L. North, in a telephone call until that was also public. "We don't typically announce the Vice President's phone calls to anyone and this was simply a short phone call to wish a man well," Mr. Thomas said.

Part of a Pattern?

But some Republican strategists, including one close to Mr. Bush, argue that the approach is a part of a pattern suggesting reluctance by Mr. Bush to take forceful actions that might put the affair behind him.

As another example, the strategist said Mr. Bush been advised to demand the resignation of Donald P. Gregg, his national security adviser, who introduced Mr. Bush to Mr. Rodriguez and whose role in the arms affair has generated considerable attention.

Mr. Gregg had made it clear that he would leave if Mr. Bush made the request. The Vice President did not.

STATINTL

Fired North Got Call From Bush, Secord Testifies

By DOYLE McMANUS,
Times Staff Writer

WASHINGTON—Vice President George Bush telephoned White House aide Oliver L. North after North was fired last year to offer his support, retired Air Force Maj. Gen. Richard V. Secord told Congress Wednesday.

"It was . . . [a] laudatory call—sad—a very short call," Secord said.

Bush told North that he admired the work he had done, another source said, and told the fired aide: "Sorry to see it end this way." A spokeswoman for Bush, Gayle Fisher, confirmed the account.

North was fired by President Reagan last Nov. 25 after investigators discovered that he had secretly diverted profits from the Reagan Administration's Iranian arms sales to aid Nicaragua's *contra* rebels.

Reagan himself also telephoned North to offer his support and later called the Marine lieutenant colonel "a national hero."

Secord, who was with North when both calls came, said he realized that the President was on the line when North answered the

Questions Inquiry Seeks to Answer

From a Times Staff Writer

WASHINGTON—Here are the key questions that Sen. Daniel K. Inouye (D-Hawaii) said the Iran-*contra* hearings are trying to answer:

- Were the statutory restrictions on U.S. aid to the *contras* violated?
- Was Congress misled?
- Were the executive branch's own internal checks and balances bypassed in policy decisions on Nicaragua and Iran?
- Was there a public foreign policy and, simultaneously, a very different covert foreign policy?
- Was American foreign policy turned over to people outside the government?
- Were national security decisions driven or influenced by private profit motives?

telephone and stood at attention "like a good Marine."

Secord told the House and Senate committees investigating the Iran-*contra* scandal that Bush met last August with a former CIA officer who had helped set up a secret *contra* air base in El Salvador, suggesting that the vice president was aware of the secret *contra* airlift.

But Bush contested that account, saying through Fisher that he did not meet with former CIA officer Felix Rodriguez. Instead, he said, Rodriguez met with two of his top aides, Donald Gregg and Sam Watson.

"Gen. Secord is mistaken," she

said.

Rodriguez came to Washington to complain that Secord's airlift operation was badly managed and was wasting money, Secord and other sources said.

Rodriguez was a friend and political supporter of Bush who first went to El Salvador with a recommendation from Bush's office to help in counter guerrilla operations there.

Bush, who is an unannounced candidate for the Republican presidential nomination, has been struggling to free himself from charges that he was more deeply enmeshed in the Iran-*contra* secret operation than he has admitted.

SECORD RECOUNTS BEING TOLD REAGAN KNEW OF HIS WORK

By DAVID E. ROSENBAUM

Special to The New York Times

WASHINGTON, May 6 — Maj. Gen. Richard V. Secord, a main organizer of the Iran arms sales and the contra supply operation, testified today that he had been told several times that President Reagan knew of his efforts.

General Secord, a retired Air Force officer, in his second day as the opening witness before the Congressional committees investigating the Iran-contra affair, said he had never talked with the President personally about either matter. But he added:

"On a few occasions, I heard Oliver North, in an offhand and I think humorous vein, remark that in some conversations with the President, he mentioned that it was very ironic that some of the Ayatollah's money was being used to support the contras.

"Whether he actually said this to the President, or whether he was joking with me, I'm not sure." [Excerpts, page A15.]

Not Taken as a Joke

Lieut. Col. Oliver L. North, a former National Security Council official, has been reported to exaggerate at times. But General Secord added, "I did not take it as a joke."

Mr. Reagan has maintained that he never held detailed private conversations with Colonel North, who was in charge of the secret operations, and that he knew nothing of the diversion of funds from the Iran arms sales to the Nicaraguan rebels, known as contras.

The White House spokesman, Marlin Fitzwater, refused to comment directly on General Secord's assertions. But he noted that the President had said previously that he was unaware of the diversion of money.

Reagan's Knowledge at Issue

The question of Mr. Reagan's personal knowledge is the central issue of the investigation. The committee members did not have the opportunity to pursue the matter further today, but General Secord will return to the witness stand Thursday.

General Secord also said Vice Adm.

John M. Poindexter, while national security adviser, had told him that President Reagan knew of and appreciated his work. General Secord said in his opening testimony Tuesday that everything he had done on behalf of the Iran sales and the supply of arms to the contras had been approved by the Administration, and his remarks today were meant to bolster that contention.

At the end of the day, committee members said they were intrigued by General Secord's remarks about the President but did not view it as conclusive evidence.

Most of the day was spent in a detailed recounting of the various arms transactions with Iran. Much of the material was explored thoroughly in the Tower Commission report, which was made public in February.

Still, General Secord broke some new ground, including these points:

¶As early as December 1985, Colonel North suggested that surplus money from the arms deals with Iran should be used for the benefit of the contras.

¶The general provided more precise information about the help that his activities for the contras received from William J. Casey, then Director of Central Intelligence, and other officials.

¶The general destroyed some of his documents after the Iran arms sales became publicly known but before legal investigation had been announced.

General Secord also disclosed that on the afternoon last November when the diversion of profits to the contras was made public and Colonel North was dismissed from the White House staff, the colonel received telephone calls of support from Mr. Reagan and Vice President Bush.

The President's call, in which he is said to have referred to the colonel as a "hero" and told him his work "would make a great movie one day," has been widely reported. But this was the first mention of a similar call from Mr. Bush.

Mostly Matter of Fact

As he had Tuesday in his opening testimony, General Secord, a stocky man with a military bearing, defended his activities as selfless and patriotic. He spoke mostly in a matter-of-fact tone, rattling off dates and figures without emotion.

But occasionally he raised his voice, especially when questions implied profiteering on his part. And at least once, he cracked a joke.

The chief counsel of the House committee, John W. Nields Jr., was trying to determine whether General Secord believed he could use proceeds from the arms sales in any way he wished.

"So you could have gone off and bought an island in the Mediterranean?" Mr. Nields asked.

"Yes, Mr. Nields," the general replied, "but I did not go to Bimini."

Mr. Nields, a stolid man who has been working day and night for weeks

on the investigation, apparently did not get the allusion to former Senator Gary Hart's travails. When the spectators laughed, Mr. Nields turned to Representative Michael DeWine, a Ohio Republican who sat to his left, to have the joke explained to him.

The hearings are expected to last at least through most of the summer, and General Secord was called as the first witness to provide an overview of the affair. His testimony is meant to set the stage for witnesses to follow.

Most of the day's interest focused on his answer to a single question Mr. Nields asked in midafternoon about his "understanding of the President's knowledge of the issue."

"I have no direct, first-hand knowledge about what the President knew or didn't know," the general replied. "As I think everyone knows, I never spoke with the President on this."

But he went on to say what officials including Colonel North, Mr. Casey, Robert C. McFarlane and Admiral Poindexter told him during the period. Mr. McFarlane, who resigned in December 1985, preceded Admiral Poindexter as security adviser. Mr. McFarlane is due to testify next week.

"I was told on a number of occasions, and I even recorded it once in a December 1984 memo to myself, that the President was informed of my participation in the contra and later in the Iranian operation," General Secord said.

"I had talked with the Director of the C.I.A., who was a close confidant of the President," he continued. "I assumed that he was passing information to him."

Mr. Casey died this morning.

President Reported Pleased

"I talked with two different national security advisers during the two years in question here," General Secord said. "I've been at all the projects I was working on with Oliver North, and I was told by Admiral Poindexter in January of '86 that not only was he pleased with the work that I had been doing, but the President was as well."

The general then recounted how Colonel North had told him how he and the President had joked about using money from Ayatollah Ruhollah Khomeini, the Iranian leader, to finance the contras.

Colonel North has often been accused by his critics of exaggerating his importance and his relationship with the President. But Admiral Poindexter and Mr. Casey are known to have spoken with the President directly and regularly, and they do not have Colonel North's reputation for exaggeration.

Colonel North and Admiral Poindexter will be called to testify before the panels next month.

Continued

General Secord said he had wanted to talk to the President to urge him not to abandon support for the Iran and contra operations.

He was in a hotel room with Colonel North when Mr. Reagan called to offer support the day the colonel was dismissed from the White House staff. "I said, 'Let me have the phone,'" General Secord said, indicating that he had almost tried to grab the phone. "But it was too late. He hung up. I wasn't fast enough."

'The People Would Understand'

He wanted to tell the President, he testified, "that it was a good policy, and it was worth a try."

"The American people would understand the rationale that underlie such a policy, and we've done nothing wrong," he continued. "My advice would have been: 'Let's stake out our position. Don't cut and run.'"

Then General Secord's voice dropped. "I didn't get a chance to make that kind of speech," he said softly. "So I'll make it now."

He said the idea that surplus money from arms transactions be diverted to the contras was first suggested by Colonel North in December of 1985.

There have been conflicting stories in the past on how the diversion began.

Some sources have said the idea came from the Israelis, and others that it came from the Iranian middleman, Manucher Ghorbanifar.

General Secord said the idea arose because a month earlier, an Israeli named Al Schwimmer, a founder of the Israeli aircraft industry, had deposited \$1 million in a Swiss bank account that was being used for both the arms transactions to Iran and the contra supplies. The \$1 million was meant to pay the transportation costs of a shipment of American anti-tank missiles from Israel to Iran.

He 'Made a Contra-bution'

The shipment's expenses, however, amounted to only about \$200,000, General Secord said, and he asked Colonel North what to do with the surplus.

Colonel North said the money should be used for the contras, he said. "So Mr. Schwimmer made a contra-bution," General Secord said, apparently intending the pun.

"We'll let that one sink in for a minute," Mr. Nields said.

After that episode, the general said, Colonel North was "consistent" in suggesting that money left over from arms transactions be spent on the contra operation.

There was plenty of left-over money, nearly half of the total of \$30 million the Iranians paid. But General Secord said only about \$3.5 million was actually used to supply the contras.

More than half the remainder, according to financial records, is still in an account of General Secord's business partner, Albert Hakim, and the rest was used for other purposes. Some of the money was intended as normal business profit for the Hakim-Secord company, Stanford Technology Trading Group. But it was unclear what the rest of the money was intended for.

Says He Took No Money

General Secord said Tuesday that he had decided not to make any money from the deals because he feared that might hurt his chances for rejoining the military. He said today that his only income was the normal salary of \$6,000 a month that he drew from the company.

In fact, the general took offense at the notion that he might have made money from the deals.

"There was no intention of profiteering," he said, a sharp edge to his voice. "I know that some people were tossing this word around right now, and I resent it. There was no intention of profiteering. None."

6 May 1987

FILE ONLY

STATINTL

Testimony conflicts with Bush's

By Steve Stecklow
and Matthew Pufdy
Inquirer Washington Bureau

WASHINGTON — Retired Air Force Gen. Richard V. Secord testified yesterday that he believed Vice President Bush attended a meeting last August at which the secret operation to supply arms to the contras was discussed.

Secord's testimony contradicts statements by Bush's office that the vice president never attended such a meeting. The office has stated that on last Aug. 8, two of Bush's top aides, Donald Gregg and Col. Samuel Watson, met with Felix Rodriguez, a former CIA employee who was a key participant in the contra supply operation. However, according to a Dec. 15 statement by Bush's office, the vice president was not informed of that meeting.

Gayle Fisher, a Bush spokeswoman, said yesterday that Secord's testimony about the vice president was "not true. The vice president did not sit in on a meeting of that kind in August," she said.

Secord referred to the meeting during his first day of testimony before the joint congressional committee investigating the Iran-contra affair. He was not questioned further about how he came to believe Bush attended the meeting.

Secord described Rodriguez, who worked with the CIA in the 1961 Bay of Pigs operation and later in Vietnam, as a key player in the contra supply operation as far back as September 1985. He acted as a "liaison" with local authorities in El Salvador, where the operation was based, Secord said.

But because of a misunderstanding, Secord said, Rodriguez came to believe that Secord and his associates were "profiteering" at the expense of the contras, and were selling them old weapons in poor condition — charges Secord said were untrue.

Rodriguez, according to Secord, first voiced his concerns at a meeting with White House national security aide Oliver L. North and Robert Dutton, a Secord associate. The meeting "didn't go well," Secord said, and Rodriguez then took his complaints to Bush and Gregg.

According to a chronology released by Bush's office in December, Gregg, Bush's national security affairs assistant, helped place Rodriguez in El Salvador in early 1985 to help fight communist guerrillas there. Although Rodriguez was repeatedly in communication with the vice president or his staff in 1985 and 1986, according to the chronology, it was not until last Aug. 8 that Rodriguez told Gregg about the contra supply network.

Bush has said he knew nothing about Rodriguez's involvement with the contras, even though he or his staff had had contact with Rodriguez 16 times since 1983.

6 May 1987

STATINTL

SECORD SAYS HIGH OFFICIALS HELPED HIM SUPPLY CONTRAS DESPITE BAN ON U.S. ARMS AID

By DAVID E. ROSENBAUM
Special to The New York Times

WASHINGTON, May 5 — The first witness at the Congressional hearings on the Iran-contra affair, Maj. Gen. Richard V. Secord, testified today that Government officials including William J. Casey, then Director of Central Intelligence, helped in the operation to supply weapons to the Nicaraguan rebels after Congress had prohibited such aid.

General Secord also testified that only about \$3.5 million of the \$12 million in profits from the sale of arms to Iran was actually spent on behalf of the contras. More than half of the money, he said, was kept by his business partner, Albert Hakim, and part of the rest was used for a secret project unrelated to Iran or Nicaragua that he did not identify.

"We believed our conduct was in the furtherance of the President's policies," General Secord asserted, speaking of himself and his colleagues in the various transactions. "I also understood that this Administration knew of my conduct and approved it."

First Account by Participant

This was the first detailed, public accounting by an actual participant in the operation of how the proceeds from the arms sales were used.

General Secord's testimony is to resume Wednesday. Today, he made these other points:

¶He was first asked by Lieut. Col. Oliver L. North in 1984 to work with the National Security Council's covert program to obtain and supply weapons for the contras.

¶He believed he was working on behalf of and with the full backing of the Reagan Administration.

¶Officials of the C.I.A. and the State Department in Central America assisted his efforts to supply the contras with weapons.

¶He was told, but did not know firsthand, that Vice President Bush was apprised of the contra-supply operation.

¶Last year, Government officials in El Salvador voiced objections about the use of their country in the supply operation.

¶He worked extensively with Israeli arms merchants to arrange an arms

shipment to Iran.

General Secord, who is retired from the Air Force and who was a Deputy Assistant Secretary of Defense early in the Reagan Administration, was testifying voluntarily. He began his testimony this afternoon after a morning session devoted to solemn speeches by the members of the investigative committees.

General Secord said he had originally refused to testify because he felt "abandoned" by Attorney General Edwin Meese 3d and other top officials of the Administration, and because his "instincts were self-protective."

"With the passage of time," he said, he reconsidered.

Spectators Lined Up

The Senate Caucus Room, the stage for the Senate Watergate hearings and many other memorable political events, was jammed for the opening session. Hundreds of spectators lined up for the 50 or so unassigned seats, hoping to witness an important chapter in American history.

"These hearings," said the chairman of the Senate panel, Daniel K. Inouye, in his opening address, "will examine what happens when the trust which is the lubricant of our system is breached by high officials in the Government."

"The story is not a pretty one," he continued. "As it unfolds, the American people will have every right to ask, 'How could this have happened here?' Indeed, it never should have happened at all."

The committees, whose joint hearings are expected to last at least through the middle of August, called General Secord as the first witness in the hope that he could provide an overview of the whole affair.

Recalls Trip to Europe

He seemed prepared to comply. Testifying with a steady, matter-of-fact tone, he told of being recruited in 1984 by Lieut. Col. Oliver L. North, then a White House national security assistant, to obtain weapons for the struggling rebels in Nicaragua. He also described how he was sent to Europe in 1985 to try to resurrect an arms shipment to Iran that had gone awry.

With the exception of Colonel North and perhaps Rear Adm. John M. Pindexter, President Reagan's former national security adviser, no other witness is likely to have evidence of so many different aspects of the affair.

General Secord said he was not "ashamed" of anything he had done, and he said "unconventional methods" were necessary "because conventional wisdom had been exhausted."

He said that he met on three occasions with Mr. Casey, the Director of Central Intelligence until he became ill last December, and that Mr. Casey had encouraged his activities.

The general said he had received intelligence information or other support for the effort to supply arms to the contras from senior C.I.A. officials in Costa Rica and Honduras and received "moral support" from the United States Ambassadors in Costa Rica and El Salvador. He also said senior United States military officers in El Salvador were aware of the program.

In addition, under questioning from the chief counsel of the House investigative committee, General Secord testified that he understood Vice President Bush had been told about the contra supply operation during a meeting in Washington.

General Secord said that Felix Rodriguez, a former C.I.A. operative who served as a liaison between him and the Nicaraguan rebels, became dissatisfied with the operation and came to Washington to complain.

Mr. Rodriguez, according to the General, met with Vice President Bush's national security adviser, Donald Gregg. General Secord said he was told, but did not have first-hand knowledge, that Mr. Rodriguez then met with Mr. Bush as well.

But a spokesman for the Vice President said Mr. Bush did not attend the meeting in question. Mr. Bush has said repeatedly that he was unaware of the covert program to supply the contras.

General Secord was not specific about the kind of intelligence Mr. Casey provided, but he said it was not

Continued

as much as he wanted.

"I was never able to get the professional intelligence product I was accustomed to having," he testified.

General Secord said he took his orders from Colonel North, who was discharged from the White House staff last November after the arms sale and the diversion of proceeds to the contras became known.

He said Colonel North had given him and those working with him sophisticated code machines that look like laptop computers. Several messages between General Secord and Colonel North that were written on the machines were submitted into evidence today, an indication of the extensive documentary material the investigators have accumulated.

One of those messages involved the purchase of a ship to be used in a United States Government project not related to Iran or Nicaragua.

General Secord did not identify the project, although some people said they believed it involved Libya. "The mission they had for the ship was extremely dangerous," General Secord said. Slightly more than \$1 million

from the Iran arms sales was used to buy the ship, he said.

General Secord testified without immunity from prosecution. He said he had legal opinions that his contra supply operation was within the law, but other authorities have suggested otherwise.

A person close to the general said that after invoking his Fifth Amendment right against self-incrimination and refusing to testify in other investigative forums, he decided to come forward because he thought it would help his legal position if he cooperated.

Under questioning from John W. Nields Jr., chief counsel for the House committee, General Secord described what happened to the \$30 million paid by Iran for American missiles and other weapons.

About \$12.3 million, he said, was given to the United States Treasury to pay for the arms. Another \$8 million is still in a Swiss bank account or in a fiduciary account for the "benefit" of Mr. Hakim, he said. Mr. Hakim, who arranged most of the financial transactions, is a partner with General Secord in a Virginia-based company called Stanford Technology Trading Group.

About \$3.5 million was diverted to assist the contras, \$3 million went for expenses connected with the delivery of the arms to Iran, slightly more than \$1 million was used to buy the ship for the unidentified project in a third country and for other unidentified projects, and about \$2.5 million is still unaccounted for.

5 May 1987

Hints of Conspiracy

The Iran-contra hearings will renew pressure on the White House



It is a uniquely American ritual. A concerned and curious citizenry gathers in an electronic version of a Colonial town meeting to watch their elected representatives grill Government officials, high and low, about a sorry episode in contemporary history. The viewing can be painful yet mysteriously exhilarating, boring at times yet somehow fascinating. It is an odd self-flagellation, but out of it can emerge a catharsis. The Government's secrets are exposed, its actions explained, condoned or condemned. The issue is faced. The nation moves on.

The process begins again this week as klieg lights illuminate the solemn faces of 15 Congressmen and eleven Senators seated on a two-tiered dais draped in burgundy bunting, at the opening of a four-month public exploration of the Iran-contra affair. This is the same Senate Caucus Room where television cameras revealed Senator Joseph McCarthy as a snarling bully. It is where Richard Nixon's closest aides told lies in a vain effort to support the President's Watergate crimes.

Are the stakes as high this time? Probably not, but the unpredictable lurks.

Said a White House aide last week: "You can never tell in what direction a hearing like this may go." Panel Member Peter Rodino, the New Jersey Congressman whose steady hand in 1974 dignified the impeachment proceedings against Nixon, hears echoes. "We have a situation again where we have much of the Executive Branch misunderstanding the rule of law," he says. "We just can't let that go unchallenged and unaddressed."

The alleged "misunderstanding" of the "rule of law" that Congress plans to probe goes far beyond the unhinged arms-for-hostages deals with Iran and the siphoning of profits to the Nicaraguan *contras*, which formed the focus of the Tower board's report in February. Instead, a central issue this time will be the role Administration officials played in pursuing a secret and possibly illegal foreign policy by using a shady cadre of private and semiprivate operatives to supply military aid to the *contras* when such aid was restricted by Congress.

How explosive this investigation could be was revealed last week, when Independent Counsel Lawrence Walsh secured the scandal's first guilty plea, one that led uncomfortably close to the Oval Office. Conservative Fund Raiser Carl ("Spitz") Channell admitted he had conspired to defraud the Government by using a tax-exempt "charitable" foundation to send military supplies to the *contras*. He named former Na-

tional Security Council Aide Lieut. Colonel Oliver North as his "co-conspirator." North had not only helped persuade donors to give to Channell but had also successfully urged Ronald Reagan to thank many who did so.

White House Spokesman Marlin Fitzwater reiterated Reagan's earlier claim that he thought the money was used only

to buy TV ads to persuade Congress to support the *contras*. But Fitzwater's response was carefully hedged. Said he: "In the legal view of the White House, the President is not a part of this conspiracy." Another aide fretted about what might be next in the chain of criminal charges: "These pleas tend to set up a domino effect, with one target leading to others. We have no real idea where it's going."

Even if Channell or others reveal that Reagan knew some of the private donations were being used for military supplies, it would not necessarily mean Reagan was a conspirator in breaking the tax-exemption laws. But at the very least it would show his earlier denials to be false. And if the conspiracy to use private donations for arming the *contras* turns out to have violated other laws, such as the Neutrality Act and the Boland Amendment, questions of White House involvement could become far more serious.

Before its hearings begin this Tuesday, the joint congressional committee staff will have interviewed 300 witnesses, reviewed more than 100,000 documents and issued 140 subpoenas. The investigation is prying loose what promises to be a spate of intriguing revelations about the Iran-contra affair.

By focusing on the covert policies the Administration pursued in Nicaragua, as well as Iran, the members plan to depict what many feel amounted to a dangerous privatization of foreign policy. The lesson of the hearings, predicts New Hampshire Republican Warren Rudman, will be that the Administration "cannot have a stated foreign policy aggressively pursued and a private foreign policy that is 180° opposite to it."

The role North and the CIA played in setting up this rogue network is already well documented. A central question will be the degree to which the President gave his knowing approval to the secret contra-funding efforts. The Tower board portrayed Reagan as incredibly uninformed about the specific activities of his National Security Council staff. But some Congressmen say the evidence indicates Reagan was well aware of the basic policies pursued. "The President was very knowl-

edgeful. He was involved very deeply," insists Hawaii Democrat Daniel Inouye, chairman of the Senate panel. Oklahoma's David Boren posed the committee's key question in phrases that carry a Watergate-era ring: "Did the President faithfully carry out the spirit of the law, or was he ignoring it? Did he subvert the process himself by trying to raise funds to get money to the *contras*?"

The panel selected as its first witness one who is likely to engage the public's attention. After taking the Fifth Amendment in earlier hearings and even risking a contempt citation for refusing to turn over financial records, retired Air Force Major General Richard Secord agreed to testify—without immunity from prosecution. Why? "He's convinced he did nothing wrong and wants to tell his story," explained Maine Senator George Mitchell. Considering his involvement in both the gunrunning to the *contras* and the logistics of sending arms to Iran, Secord could credibly hold such a view only if he believed he had been given clear authority for what he did. Declared Inouye: "Few people can tell this story from beginning to end, and General Secord is one of those people."

In addition to describing the network of private operatives North used in both the Iran arms deals and the *contra*-supply operations, Secord is expected to help untangle one of the scandal's chief remaining mysteries: Where did the money go? An arms dealer ever since he left the Pentagon in 1983, Secord joined a company run by Albert Hakim, an Iranian American who recently gave committee investigators thick notebooks containing details of the firm's various bank accounts. Proceeds from the Iranian arms sales as well as covert money for *contra* military supplies are believed to have moved through these accounts.

The committee's plan is to conduct its hearings in three stages: 1) the *contra* funding and military-resupply operation, which may take about four weeks; 2) the Iran arms deals and who may have been responsible for the diversion of profits to the *contras*, running into August; 3) a wrap-up period exploring the lessons learned and what legislation, if any, might be needed to prevent a similar breakdown in the orderly and accountable conduct of foreign policy. The committee should be finished by Labor Day.

The joint committee has compiled an interesting list of 26 witnesses for the first phase, which some staffers refer to as an exploration of "Contra, Inc." Secord will be followed by Robert McFarlane, the former National Security Adviser, who has testified extensively about his unfortunate dealings with Iran but not about the secret *contra* resupply. He was at NSC when the amendment banned direct military aid to the rebels.



The committee counsel: John Nields Jr. for the House and Arthur Liman for the Senate

Filling out the picture will be some lesser-known field agents who helped create the private network that kept the *contras* fighting despite the official cutoff. Among them: Robert Owen, who as North's roving envoy in Central America allegedly arranged weapons shipments, and *Contra* Leader Adolfo Calero, who will be asked about what help the rebels actually received.

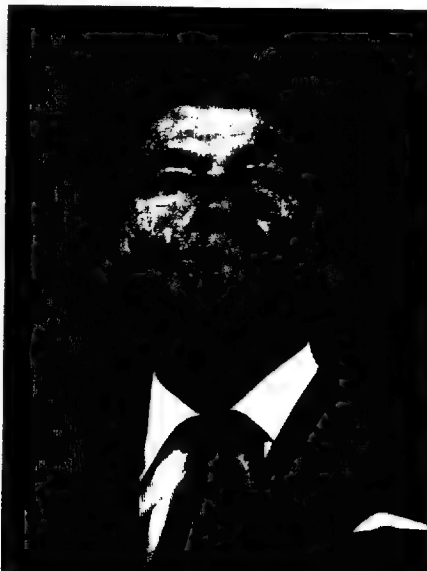
Next will come the fund raisers who made the private military aid possible. They will include retired Army General John Singlaub, who solicited money openly for the *contras* on a worldwide basis; Barbara Studley, a rather mysterious friend of Singlaub's; Ellen Garwood, the Texas multimillionaire who donated lavishly to Channell's groups; and Jane McLaughlin, a former Channell aide who has spoken freely about his White House ties. Hakim, expected to return from living abroad, will flesh out the details of secret money transfers through Switzerland and the Cayman Islands.

The role of the NSC staff in setting up this *contra*-supply network will be explored through the testimony of such Secord associates as Robert Dutton and Richard Gadd, both of whom are believed to have worked closely with North. Then Felix Rodriguez, identified as a CIA agent who uses the moniker Max Gomez, will be asked to explain his job as liaison between El Salvador's air force and private pilots, some of whom wound up air-dropping supplies to the *contras* from Salvador's Ilopango Air Base. Recommended for his role by Donald Gregg, a top aide to Vice President George Bush, Rodriguez will be questioned about meetings he has had with Bush.

The official ties may be tightened as Lewis Tambs, former U.S. Ambassador to Costa Rica, is asked about working with North to get Costa Rica to keep a secret *contra* airstrip operating. The CIA station chief in Costa Rica, recently identified as Joseph Fernandez, will be quizzed about the *contras* and which of his CIA superiors was aware of his activities.

Some of the toughest grilling may be inflicted on Elliott Abrams, Assistant Secretary of State for Inter-American Affairs, who had insisted publicly that "nobody in this building had any idea of any contributions coming from a foreign government" just days before it was disclosed he had solicited \$10 million for the *contras* from the Sultan of Brunei. Worse yet, the money deposited into a Swiss account provided by North has disappeared. Says an Administration official: "Aside from the question of whether he did anything indictable, he will at the very least be sacrificed. Elliott knew most of the essential details of what Ollie and his boys were up to."

After starting Phase 1 with a potential bomb thrower, Secord, the committee expects to end it with the scandal's bombshell: North's secretary, Fawn Hall. Charges of a possible obstruction of justice could hinge in part on how she describes the documents



Was he unknowing or in charge?

One witness may have an answer.

she shredded, altered or spirited off to North after Attorney General Edwin Meese carelessly interviewed him about the Iran-*contra* diversion but failed to call in the FBI or lock up North's files.

Meese, who will not be called until Phase 2, can expect rough handling over his sloppy initial investigation as well as his dubious legal advice to the President that it was proper to withhold notification of the Iran deals from Congress. But as to whether there was a cover-up, Maine Republican Senator William Cohen notes, "You cannot prove that Meese's ineptitude was calculated."

By agreement with Independent Counsel Walsh, who has voiced deep concern about protecting possible indictments, the two key figures in the entire affair will not be heard until at least mid-June. Former National Security Adviser John Poindexter, who was kept informed by North about almost everything he did, poses the most direct peril to the President. Cool and at least outwardly serene at the center of the scandal, the pipe-puffing admiral has told friends he intends to lay his story out candidly and will not be shaken by others. He has privately said he feels that he kept the President informed of the Iran and *contra*-funding operations, including telling him in general terms on at least two occasions that the Iranian operations were benefiting the *contras*. Some committee members were irked last week when Reagan seemed to be sending Poindexter a signal. Asked whether he was worried about the admiral's testimony, Reagan replied, "No. John Poindexter's an honorable man . . . I was not informed."

As for North, no one can be sure of what the erratic officer will say. But the big question for North will be one that has the ring of Watergate: What did the President know?

This schedule of witnesses is daunting and certain to include hours of tedious testimony about secret bank accounts and weapons shipments. As one White House aide predicts, viewers (and the networks) are sure to switch back to the soap operas except when some of the major witnesses are on camera. "Our responsibility is not to entertain, but to inform," says Cohen, whose eloquence in the House Judiciary Committee impeachment debate helped propel him into the Senate.

But even if the hearings produce few explosions or smoking guns that can topple high officials, they could have a powerful historic impact. With the emotional force that often emerges from the accumulation of dry details, the nation will be shown how some in the Administration used a shady network to undermine America's policy of not trading for hostages and to circumvent laws prohibiting the Government from supplying military aid to the *contras*. The critical lesson, Cohen predicts, will be the discovery that "you can't formulate policy in some dark corner without heading toward anarchy."

—By Ed Magnuson. Reported by Michael Duffy and Hays Gorey/Washington

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NEW YORK DAILY NEWS
4 May 1987

Man that wasn't there

But Bush may get hit in IranCon this week

By FRANK JACKMAN
News Washington Bureau

WASHINGTON—So far in the Iran-Contra affair, Vice President Bush has been the man who wasn't there. But that is likely to change this week as congressional investigators focus on the private networks that funneled arms to the Nicaraguan rebels.

The Tower Commission report last February barely mentioned Bush. The vice president has said he knew of, but had "reservations" about, the sale of arms to Iran, but he has been reticent about his knowledge of the Contra part of the equation.

Iran-Contra special prosecutor Lawrence Walsh, in a progress report last week, specifically mentioned the office of the vice president as one of those which are the subject of "ongoing investigations." He said that the inquiry was "proving fruitful."

Top Bush aide

One focus may be Bush's top aide, ex-CIA agent Donald Gregg.

It is expected Gregg will be called to testify about his relationship with Felix Rodriguez, a former CIA agent involved with the Contra

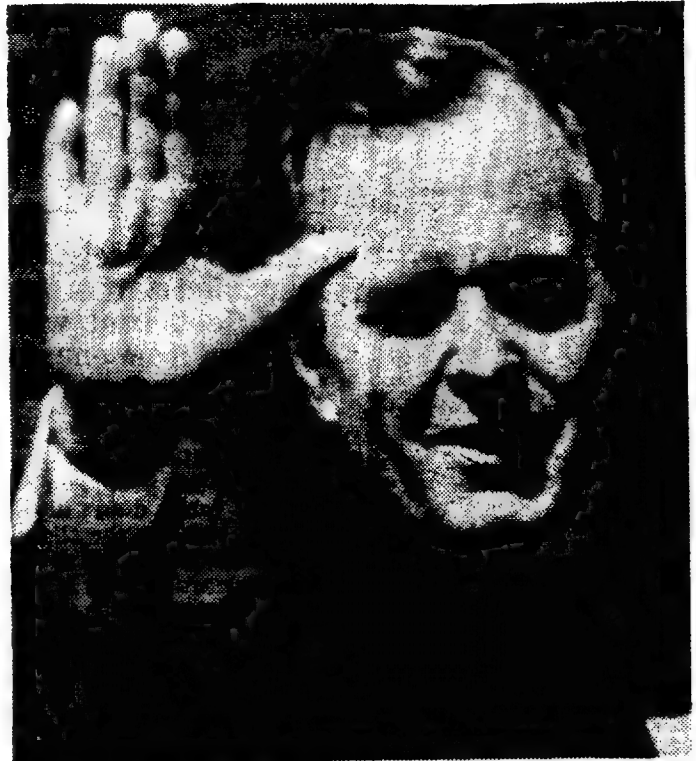
supply network.

Gregg has acknowledged that in December 1984, he recommended the Cuban-born Rodriguez, a former colleague from their days together in Vietnam, as on-the-scene adviser to the Salvadoran Air Force at Ilopango air base in El Salvador. Ilopango was the site of an extensive resupply network to the Contras during 1985 and 1986.

'Never involved'

But in a chronology of events issued by Bush's office last December, Gregg claimed that while he and his staff "maintained periodic communication with Felix Rodriguez . . . (we) were never involved in directing, coordinating or approving military aid to the Contras."

Twice, however, in August 1986 and again in October of that year, when the Contra support program ran into trouble, Rodriguez took his problems directly to the vice president's office. The first time, Rodriguez was concerned about the adequacy of the Contra resupply program, and Gregg responded by setting up a meeting with CIA, State Department, Pentagon and White House officials to pass along those concerns.



SCHOOL DAYS: Vice President Bush takes weekend stroll at Phillips Academy in Andover, Mass., the prep school of which he is a graduate. AP

The second time, according to the Bush chronology, came when a Contra-supply plane was shot down in Nicaragua and a crewman, Eugene Hasenfus, was captured by the Sandinistas. Rodriguez twice called Gregg's office with the news, and a Gregg aide, Samuel Watson, told the White House Situation Room and the National Security Council.

Questioned after the Ha-

senfus plane was downed, Gregg insisted that he never had discussed Nicaragua with Rodriguez. Later, however, Bush told CBS-TV's "60 Minutes" program that Gregg had to change his story because "he forgot."

Bush, himself a former CIA director, met three times with Rodriguez. But according to the vice president's account of the meetings, they did not discuss the Contra-aid network.

British Spy Agency Criticized

Former Official Describes Abuses In Unpublished Book

✓ By Karen DeYoung
Washington Post Foreign Service

LONDON, May 2— A retired senior intelligence official has depicted Britain's domestic counter-intelligence agency, MI5, as frequently incompetent and characterized by systematic abuses of power and illegal acts, including efforts to spy on and overthrow former prime minister Harold Wilson.

The allegations are contained in an unpublished book called "Spycatcher" by Peter Wright, a 21-year veteran of MI5 who left the service in 1976. The British government is engaged in a continuing legal battle to ban publication of the book. But new demands arose this week in Parliament for an independent inquiry into the charges after a London newspaper published an account of some of the allegations.

In the manuscript, a copy of which has been obtained by The Washington Post, Wright describes an organization that often operated outside the control or knowledge of the British government of the day. According to Wright, MI5 routinely used other British institutions, from the post office to the media, to further its aims, and covered up its more questionable activities.

Wright's account is taken from his detailed diary of events between 1955 and 1976, when he held a series of senior MI5 positions. Its primary focus is on proving Wright's long-held and widely aired belief that former MI5 head Roger Hollis was the undiscovered Soviet agent long suspected to be at the top of British intelligence.

According to Prime Minister Margaret Thatcher, a secret government investigation in the late 1970s cleared Hollis of suspicion.

But the manuscript also details two decades of day-to-day intelligence activities, from the bugging of embassies of both friends and foes by London and Washington to plots to assassinate heads of foreign governments.

Thatcher's government has sought repeatedly to suppress publication of the book on grounds of national security, and it is unlikely ever to be published here because of Britain's severe secrecy laws. The government is involved in a court battle to prevent its publication in Australia, where Wright, 71, now lives.

Last week, The Independent newspaper published a lengthy account of some of its allegations, including a politically motivated plot by up to 30 senior MI5 officers in 1974 and 1975 to remove Labor Party prime minister Harold Wilson from office by smearing him as a Soviet spy.

According to Wright, the plan centered on selective leaking of information gathered during Wilson's earlier term in office between 1964 and 1970, when MI5 conducted a secret investigation of him, and in additional bugging of his home and office following his reelection at the head of a minority government in 1974.

The government has brought contempt of court charges against The Independent on grounds that it violated previous injunctions against newspaper publication of Wright's manuscript in this country.

But the Wilson revelations already have led to charges in Parliament of an MI5 cover-up of potentially treasonable behavior and demands for an independent inquiry. Opposition party leaders have renewed longstanding calls for oversight of the intelligence services, currently accountable only to the prime minister and selected Cabinet members.

On Thursday, Thatcher firmly ruled out any inquiry into the Wright allegations about the Wilson plot, saying the matter had been investigated by the Labor govern-

ment of James Callaghan. Callaghan became prime minister in 1976, when Wilson resigned for still undisclosed reasons.

But officials from the Callaghan government have said the 1977 investigation concerned only the bugging reports, which they said were disproven, and not the more comprehensive plot that Wright has alleged.

While major Labor and other political opposition figures have demanded an independent inquiry, Wilson, 71, said last week that he respected Thatcher's decision.

"It sounds as though she does not intend to have one," he told BBC television. "I accept that. She is a little closer to it now than I am."

In a related controversy, Thatcher last month confirmed to Parliament that the late Maurice Oldfield, who during the 1970s headed MI6, Britain's overseas intelligence service, was a homosexual as had long been rumored. The fact that Oldfield had repeatedly passed security checks during his MI6 tenure, combined with the Wright charges, has led to a reported desire on the part of many current senior intelligence officers for some sort of independent inquiry to clear the name of the service.

The issue so far does not seem to have captured public imagination, which at the moment is more concerned with whether Thatcher will call national elections in mid-June.

Wright's book contains numerous references to the often stormy Anglo-American intelligence relationship. He describes both MI5 and MI6 as poor and understaffed, and looking across the Atlantic for the resources they needed.

Both agencies, according to Wright, feared American wrath over suspicions of Soviet infiltration of British intelligence. The suspicions began with the 1951 defections to Moscow of British foreign service officers Guy Burgess and Donald Maclean, and continued to poison the trans-Atlantic relationship through the 1970s.

Among Wright's disclosures:

■ As chief scientist for MI5 during the 1950s, Wright successfully reproduced a new form of resonance microphone developed by the Soviets and discovered hidden in the

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Continued

office of the U.S. ambassador in Moscow. The Americans subsequently ordered 12 of the devices, and made another 20 themselves, for their own use in Soviet Bloc embassies.

During the late 1950s and 1960s, until more sophisticated listening methods were developed, Britain used the device to bug the Soviet Embassy and Consulate in London, as well as the Hungarian, Polish, Egyptian, Cypriot and Indonesian missions here. Lancaster House, where numerous conferences were held leading to the independence of British colonies in Africa and Asia, was bugged, as were buildings around London where various international trade conferences were held.

Efforts to install a listening device in the West German Embassy failed, according to Wright. The French Embassy was bugged to listen to discussions about Britain's application to enter the European Economic Community, and to pass information along to the Americans about the French independent nuclear force. Wright says the Americans also installed their own bug in the French Embassy in Washington. ■ British assassination plots were launched in the late 1950s against Egyptian leader Gamal Abdel Nasser and Cypriot guerrilla leader Col. George Grivas. Both plots failed, but the techniques developed, including the planned use of poison nerve gas against Nasser, interested the CIA.

According to Wright, the CIA asked in 1961 for British technical assistance in its plans to assassinate Cuban leader Fidel Castro.

"We're developing a new capability in the company to handle these kinds of problems, and we're in the market for the requisite expertise," Wright quotes senior CIA officer Bill Harvey as telling him in Washington.

■ In 1965, president Lyndon Johnson became so concerned about possible Soviet infiltration in Britain that he ordered the Foreign Intelligence Advisory Board to conduct a secret review of MI5 and MI6 in London. The result of the study, which Wright describes as espionage against a friendly government, was a "devastating critique" that led CIA counterintelligence chief James J. Angleton to propose a plan to station CIA agents inside MI5.

Playing on Britain's need for U.S. intelligence resources, Wright says, "they wanted MI5 as a supplicant client, rather than as a well-disposed but independent ally." Learning of the investigation, MI5 protested that it was a "blatant abuse" of the alliance, and the incident nearly led to the expulsion of a leading CIA official here.

■ The first allegations against Wilson were made by Angleton, who in 1965 made a special trip here to tell MI5 that U.S. intelligence had information that the British prime minister "was a Soviet agent." Angleton, according to Wright, refused to divulge details unless MI5 could assure him the information would not fall into "political hands," presumably those of the Wilson government. The British could not make that guarantee, and the information was filed away here under the code name "Oatsheaf."

In 1967, Wright flew to Washington to query Angleton again. Angleton said that "an agent of his . . . had heard that Wilson had clandestine meetings very occasionally with the Russians," but that the source was "no longer available."

A CIA connection to the Wilson story also has been recounted in the recently published book "The Second Oldest Profession," a history of modern spying by British author Phillip Knightley. Knightley writes that shortly before Wilson's resignation in 1976, when he believed both MI5 and MI6 were plotting against him, the prime minister secretly sent an emissary to Washington to ask the CIA what it knew.

In response, then-CIA director George Bush flew to London to assure Wilson there had been no U.S. involvement. The day before his meeting with Bush, however, Wilson resigned.

In his book, Wright does not explain his decision to break the contract of silence that virtually every British intelligence officer has adhered to, and that the Thatcher government has accused him of breaching in the Australia case. But the manuscript, and what is known of MI5 during the period he served there, provide some answers.

Wright makes repeated reference to MI5's failure to provide for its former employees, allegedly cheating them, including himself, out of deserved pensions and rewards. Another recurring theme is

the inability of top intelligence chiefs, described by Wright as a clubbish upper-class crowd more interested in the Times crossword puzzle than in systematic intelligence work, to listen to the advice of scientists and activists like him.

Knightley, who said he read Wright's manuscript during a visit to Australia, described Wright in an interview as the classic "boffin."

In British slang, "boffins" are "the backroom boys, the unrecognized scientists" who resent "the flashy ones at the top," Knightley said. They see themselves as the true workers and achievers, deprived of credit, and tend to hold grudges when they are not listened to.

In Wright's case, he has long resented the failure of British governments to believe his charges, and those of some of his MI5 colleagues, against Hollis, who headed the agency until 1966.

But aside from Wright's circumstantial and hypothetical case against Hollis, Knightley and other seasoned observers of British intelligence point out that much of his book is based on detailed accounts of events in which Wright himself participated, first as MI5's chief scientist and later as its head of research and informal liaison officer to U.S. intelligence.

Wright describes his early years with MI5 as a "fun" period during which he and his colleagues "bugged and burgled our way across London at State's behest, whilst pompous bowler-hatted civil servants in Whitehall pretended to look the other way."

These endeavors were aided, he says, by the British post office, which shared part of its headquarters with a permanent MI5 mail interception team. The post office also ran the telephone exchange system, and shared information and assisted in bugging. According to Wright, additional help frequently was obtained from newspapers and broadcasters who were in MI5's pocket.

Wright is critical of the lack of a comprehensive clearance process for MI5 agents. His own introduction into the service, he says, consisted of a light-hearted interview in which he was asked if he'd ever been a communist or a "queer." During training, he says, he was told of the service's "Eleventh Commandment . . . Thou shalt not get caught."

3.

It was this lack of a clearance procedure, Wright says, that allowed so many British communists and fellow travelers from the 1930s to enter British intelligence.

Wright spent much of the 1960s in a massive MI5 effort, instigated partly in response to American suspicions, to reinvestigate the "Oxbridge" crowd from where proven spies like Burgess, Maclean and MI6 double agent Kim Philby had emerged.

As a result of his "vetting of an entire generation," Wright says, he discovered as many as 40 "probable" Soviet spies, many of whom he names in the book. Few prosecutions or even interrogations resulted, however, because of what Wright maintains was the reluctance of senior officials to cause a political stir or increase American worries still further.

It was also during this period that MI5, spurred in part by the Angleton report, began to investigate Wilson. Wright says his own suspicions had begun with the mysterious death in 1963 of Labor Party leader Hugh Gaitskill. Gaitskill, on the party's right, was replaced as leader by the left-wing Wilson, who 18 months later was elected prime minister.

According to Wright, MI5, with assistance from Angleton, investigated the possibility that Gaitskill had been poisoned by the Soviets, who were believed to prefer Wilson.

Wilson had at one time worked as the representative of an East-West trading company, and MI5 began secretly to track his association with Eastern European acquaintances of that period. But the inquiries eventually petered out, and in 1970, Labor lost the election to the Conservative Party led by Edward Heath.

In 1974, when Heath and the Conservatives appeared likely to be replaced again by the Labor Party with Wilson still at its head, the Wilson investigations were revived.

According to Wright, a group of senior MI5 officers met with him to propose a plan to discredit Wilson.

"The plan was simple," Wright says. "In the run-up to the election . . . MI5 would arrange for details of the intelligence about leading Labor Party figures, but especially Wilson, to be leaked to sympathetic press men . . . word of the material contained in MI5 files, and the fact that Wilson was considered a security risk, would be passed around."

Wright says he balked at participation in the plot, and refused to allow the conspirators, who he said eventually numbered about 30, or "half the senior staff," to gain access to the Gaitskill file.

Despite the smear campaign, Wilson was able to form a minority government after the 1974 election. But the MI5 campaign against him continued, according to Wright, who says that in the summer of 1975 he reported it to then MI6 head Oldfield.

Wright says that Oldfield warned that news of the plot could "blow up" on the intelligence services.

At Oldfield's urging, Wright says he reported the conspiracy to then MI5 director general Michael Hanley, who asked him for the names of those involved.

"I need to protect them," Wright says Hanley told him.

"Max said Bush was his man in Washington," recalled Iain Crawford, a crewman on several of the secret flights. "He said he had known Bush from when he [Bush] was director of the CIA."

Bush Role in Recruiting Contra Aid Figure Doubted

By DOYLE McMANUS, Times Staff Writer

WASHINGTON—A key figure in the secret airlift that aided Nicaraguan rebels during 1985 and 1986 was apparently recruited by then-White House aide Lt. Col. Oliver L. North, not by Vice President George Bush, sources familiar with the *contra* scandal investigations said Sunday.

Felix Rodriguez, a former CIA operative who helped direct the *contra* airlift's operations at El Salvador's Ilopango air base, initially went to Central America with the help of a Bush aide, Donald P. Gregg, the sources said. But Rodriguez has told congressional investigators that it was North, not Gregg, who asked him to help the *contras*, they said.

Investigators have also obtained a letter, apparently written by North in 1985, asking Rodriguez to

help with the *contra* airlift and warning him not to tell anyone of the plan.

Gregg said Sunday that the new evidence confirms the contention of Bush and his aides that they were not directly involved in the *contra* airlift, which North directed despite a congressional ban on U.S. aid to the rebels during 1985 and 1986.

The charges of involvement in the Iran-*contra* scandal have dogged Bush as he has prepared to run for President in the 1988 election.

The charges first arose last fall when associates of Rodriguez told reporters that Rodriguez said he had met with Bush and had been conducting operations against the Nicaraguan government from El Salvador with the vice president's knowledge and approval.

"The accusations have been that the vice president or I have been

running *contra* operations," Gregg said in a telephone interview. "This shows that those accusations are false. . . . The fact is, the only time I talked to Felix about this thing was when he came to me to blow the whistle on some people involved in the supply operation."

Gregg said Rodriguez did not tell him about the airlift until August, 1986, even though the two men were longtime friends.

"Felix and I were trained as intelligence officers," he said. "We believe in the need-to-know principle, and I didn't need to know.... When Felix finally came to me, he said: 'Don, I really hate to tell you this, because Ollie [North] asked me not to talk about it.'"

Bay of Pigs Veteran

Rodriguez, a veteran of the CIA's abortive Bay of Pigs invasion of Cuba in 1961, went to El Salvador in early 1985 to advise the Salvadoran air force on operations against leftist guerrillas, according to Gregg and other associates of Rodriguez.

Later that year, North and retired Air Force Maj. Gen. Richard V. Secord began organizing a new airlift operation for the *contras*. The Nicaraguan rebels' main air base was in Honduras, but North and Secord wanted to use El Salvador's main air base as well, partly because Honduran authorities were restricting *contra* operations there, U.S. officials said.

The letter obtained by investigators, dated Sept. 20, 1985, asks Rodriguez to seek the approval of El Salvador's air force chief, Gen. Juan Rafael Bustillo, for the airlift's use of Ilopango, according to one source who has seen a copy.

"Dear Felix," the letter says, "After reading this letter please destroy it. . . . Within the next 15 days, the [*contras*] air arm will commence operations with two new types of aircraft . . . for airdrop/aerial resupply to units inside Nicaragua."

"Since this is a completely compartmentalized operation being handled by the resistance, you are the only person in the area who can set up the servicing of these aircraft," the letter says.

Rodriguez and Bustillo both agreed, and the *contra* airlift began using Ilopango as one of its main staging points.

Rodriguez, using the name "Max Gomez," ran the Ilopango operation from a safe house in San Salvador, where his office displayed a prominent photograph of Vice President Bush, associates said.

Rodriguez Gave Warning

Last Aug. 8, Gregg said, Rodriguez came to Washington to warn him that all was not well with the airlift operation.

"Some of it, he thought, smelled to high heaven," Gregg recalled. "He was afraid these guys [running the operation] would either take the money and run, or—worse—somehow make themselves attractive enough to get hired by the CIA when Congress restored funding for the Nicaraguan resistance."

"He wanted to warn the CIA not to touch them with a 10-foot pole," Gregg said.

A few days later, Gregg set up a meeting between Rodriguez and officials from the CIA, the State Department and the NSC to relay the message, he said.

Last Oct. 5, one of the airlift's planes was shot down by Nicaraguan forces. To inform the White House, Rodriguez telephoned Gregg's deputy, Army Col. Sam Watson.

After the crash, The Times and other newspapers discovered Rodriguez's link to Gregg. At the time, Gregg said he had never discussed the *contra* airlift with Rodriguez, but on Sunday he said: "That was a bad answer, because on one occasion Felix came to me and talked about it"—a reference to the August meetings.

Rodriguez also met with Bush three times during the period when the *contra* airlift was operating, but both Bush and Gregg said the *contra* issue did not come up.

North's direct involvement in the *contra* airlift during the period when Congress banned U.S. aid to the rebels has been well documented. His reported letter recruiting Rodriguez was dated only eight days after his superior, then-National Security Adviser Robert C. McFarlane, wrote to a member of Congress that no NSC funds were being spent for "supporting directly or indirectly paramilitary operations in Nicaragua."

Gregg said Sunday that he had gone to Bush twice to offer his resignation: first in December, after his link to Rodriguez was revealed, and again last month when the issue was raised again.

"I felt the vice president was being unfairly attacked," he said. "But he was superb. His response was: 'Hang in there.' He was always convinced that the true story would come out."

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FOR PUBLIC AFFAIRS STAFF

PROGRAM NBC Nightly News STATION WRC-TV
NBC Network

DATE April 26, 1987 6:30 P.M. CITY Washington, D.C.

SUBJECT Oliver North Recruited Former CIA Operative

STAT

CHRIS WALLACE: The Washington Post reports today that Oliver North recruited a former CIA operative to help supply the Nicaraguan Contras at a time when Congress banned direct U.S. military aid. The agent North recruited was Felix Rodriguez, who has also been linked to Vice President Bush.

NBC's Tom Pettit has more.

TOM PETTIT: Oliver North was not talking today about any possible connection to the Vice President's office on Contra aid. Nor was the Vice President. But through his spokesman, he did reaffirm his confidence in this man, Donald Gregg, the V.P.'s national security adviser, ex-CIA.

Gregg is a close friend of the Contra mystery man, Felix Rodriguez, formerly of the CIA. The Washington Post disclosed today that Oliver North recruited Rodriguez in 1985. In a letter dated September 20, 1985, North told Felix Rodriguez details of the resupply operations he would coordinate.

Gregg said he did not even know North had recruited Rodriguez until last December.

DONALD GREGG: A story with no new facts has just seemed to have achieved a life of its own and goes on and on.

PETTIT: Mr. Bush has said he met Rodriguez three times, but did not discuss Contras.

Mr. Gregg said he discussed Contras with Rodriguez, but did not tell Bush.

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REPORTER: And you have offered to resign a couple of times?

GREGG: Yes, I have.

PETTIT: Mr. Bush says he has complete confidence in Gregg. Mr. Bush also says he has completely lost interest in the Iran-Contra affair.

Iran aide said to give spy data to U.S.

STATINTL

STAT

By Bernie Shellum
Inquirer Washington Bureau

PORTLAND, Ore. — An Iranian official secretly passed sensitive intelligence information, including maps of Libyan ruler Moammar Gadhafi's headquarters, to the United States two months before American planes bombed Libya last year, according to an Oregon businessman who says he served as an intermediary.

Richard Brenneke, a former CIA pilot, said in an interview that he became a courier for a wide array of intelligence information from Iran while trying to win U.S. approval of an arms-for-Iran deal in late 1984.

He said he and his associates received maps of the Gadhafi headquarters and a number of terrorist training sites in February 1986 from an Iranian air force officer, the source of all the intelligence, and promptly delivered them to U.S. Army and Marine officers through diplomatic channels.

Brenneke said contacts in the Defense Department and the CIA told him that most of the intelligence information he relayed to those officers was accurate and "very, very useful."

On April 14, 1986, two months after Brenneke says he delivered the maps, American pilots launched an air strike against Gadhafi's headquarters inside a military barracks in Tripoli. Gadhafi was not injured, but one of his children was killed and others were hurt. His home and headquarters tent were damaged. Bombs took more than 100 other lives.

Brenneke said the Iranian information identified terrorist training sites in North Africa and the Middle East, and included information on Hezbollah, a Muslim extremist organization in Lebanon that is widely reported to be under the influence of Iran's revolutionary government.

He and two associates in France provided some of the information to French and Israeli intelligence services as well as the United States, Brenneke said.

U.S. military officers whom Brenneke identified as recipients of the intelligence information either de-

clined to discuss the matter or could not be reached.

But court records in New York show that Brenneke and his associates, Bernard Veillot and John DeLarocque, were negotiating a proposed arms deal with Iranian and U.S. officials. Transcripts of telephone conversations, tapped by the U.S. Customs Service, also indicate that the three men were aware of covert U.S. arms sales to Iran, through Israel, in 1985, and appear to have learned about White House discussions about authorizing such sales.

According to the court record, Brenneke wrote to the Department of Defense on Jan. 1, 1986, saying, "If you wish me to discontinue collecting and-or reporting intelligence information to you I will do so. Please let me know."

Brenneke said his letters were delivered to specified military officers by his Portland attorney, Richard Muller, a retired Marine officer.

Brenneke's account marks the first reported instance of intelligence information passing from Iran to the United States at a time when the two countries were publicly at odds. Iran's ruler, Ayatollah Ruhollah Khomeini, was then denouncing the United States as "the great Satan."

The Tower report

The Tower commission reported Feb. 26 that U.S. officials had supplied intelligence information about Iraq to Iran, and about Iran to Iraq, during the time the National Security Council was arranging covert arms sales to Iran from mid-1985 through 1986.

Asked how he knew that Iran's government supported the Iranian air force officer's intelligence offerings, Brenneke said he sometimes dealt directly, by telephone, with Hojatolislam Hashemi Rafsanjani, the speaker of Iran's parliament, and with other Iranian officials he said were involved in the negotiations.

The Iranians were in desperate need of U.S. warplanes and spare parts, Brenneke said, because their U.S.-equipped air force was in calamitous condition.

Brenneke said the source of the intelligence information, air force Col. Kiamars Salahshoor, acknowledged that only five of Iran's F-15s and 10 of its F-4s were operational, and that their pilot-ejection seats had been bolted in place because the mechanisms no longer worked. He described the planes as "suicide machines."

In addition, Brenneke said, some of the Iranians he talked with "did not like the Hezbollah movement" and used Hezbollah to deflect blame for terrorism from Iran.

'Self-serving'

The Iranian officials, he said, had "a very strong desire to indicate that they were not the source of much of the terrorism activity that had gone on. It was a little bit self-serving in that they wanted to keep telling everybody, 'Look, it wasn't us. We didn't do it.' The fact that they may have had some control over the people who did do it, they didn't want to admit."

Whether the intelligence information from Iran played any role in the strike against Gadhafi, or in an Oct. 1, 1985, Israeli air attack against the Palestine Liberation Organization's headquarters in Tunisia, could not be determined.

But Brenneke said the information he and his associates relayed to U.S. intelligence officials included coordinates and descriptions of Gadhafi's headquarters and the PLO headquarters near Tunis, as well as terrorist sites in Libya, Chad, Algeria and Lebanon. He said that Gadhafi's headquarters was specified and that "everything that related to what Gadhafi was doing in Libya was described."

The New York Times reported Feb. 22 that NSC planners had developed a secret objective for the Libya mission — to kill Gadhafi — and that Israeli agents had kept the United States posted on Gadhafi's whereabouts until two hours and 45 minutes before the attack. U.S. officials have denied that the mission was intended to kill Gadhafi.

Continued

Reliable data

Asked if he had received any evaluation of Iran's information from U.S. officials, Brenneke said he had questioned friends in the CIA and the Department of Defense on that point.

"I was told that I was batting well over 90 percent and the majority of it was very, very useful," Brenneke said.

Moreover, U.S. officials urged him to continue transmitting information from Iran even though they were doing nothing to advance the proposed arms transaction in which he and Veillot and DeLarocque were to serve as middlemen, Brenneke said.

He said that French and Israeli intelligence officers also vouched for some of the information.

Brenneke said the Iranians provided the information as an inducement to the U.S. government to permit the weapons sales by his group.

In the initial negotiations, Brenneke said, the Iranians sought a resumption of low-level diplomatic talks with the United States, the release of military equipment purchased by the shah, and new warplanes and tanks for use in Iran's war against Iraq.

In pursuit of those goals, Brenneke said, Iran offered the United States a captured Soviet T-80 tank and help in obtaining the release of American hostages held by terrorists in Lebanon as well as the intelligence information on terrorists and their training sites.

The Brenneke group's proposed weapons transaction fell through, however. Veillot and DeLarocque were indicted in New York a year ago after U.S. Customs agents carried out a sting operation against another group that was trying to arrange an allegedly illegal arms-for-Iran deal.

At the same time, U.S. officials were carrying out a covert arms-for-hostages swap through another set of intermediaries directed by Lt. Col. Oliver North and other NSC officials.

Brenneke said he passed the intelligence information on to Lt. Col. Larry Caylor, of the Army Intelligence and Security Command, and Lt. Col. George Alvarez, a Marine counterintelligence officer. An advisor to Brenneke acknowledged that, at his urging, Brenneke sent his February, 1986 intelligence package, which Brenneke says included the maps and related terrorist information, to the United States through diplomatic channels from the U.S. Embassy in Paris.

Caylor and Alvarez, in turn, passed some information on to Air Force Lt. Col. E. Douglas Menarchik, a security affairs adviser to Vice President Bush, Brenneke said.

Caylor said he was forbidden to comment on the matter, and Alvarez and Menarchik could not be reached.

Brenneke said that the Iranians would not let him keep copies of any material, and that while it was in his possession he was constantly accompanied by Veillot, a former French navy pilot who, Brenneke says, has flown missions for the CIA in Africa and for French intelligence.

"They baby-sat me very carefully," Brenneke said. "Bernard stayed with me during the time I had the information. I read it. I talked to Bernard about it. The sites were marked on a map. And there was some tight text describing in general terms where terrorist training was taking place."

He said Veillot was trusted by the Iranians because he had been flying insecticides and other farming equipment to Iran since 1980, and had known Salahshoor since before the Khomeini revolution overthrew the shah.

But is spying on CIA recruiters really spying?

By Christopher Reynolds, Staff Writer

The San Diego Hilton, 0900 hours. Observed approximately 120 young men and women, very serious, taking papers at the door of the Monte Carlo Room, sitting at rows of tables inside.

Three letters on the sign by the door: "CIA."

Woman at door identified as Kathleen A. Ball, Central Intelligence Agency recruiter, based in Los Angeles. In town yesterday to follow up on advertisements in local newspapers.

It is a career with new horizons. You will frequently live and work in foreign lands and interact with persons on all levels, said the ad. You will find yourself in situations that will test your self-reliance to the utmost; situations that demand quick thinking to solve problems on the spot.

"Good morning, ladies and gentlemen," said Ball. "Welcome to your introduction to the CIA."

Ball yielded floor to George (last name unascertainable), former "operations officer" now in recruiting, who gave briefing.

"I'm here to talk about career opportunities in the Central Intelligence Agency, not about United States foreign policy," said George.

George perhaps expected criticism, given a Wednesday court case in which Amy Carter and Abbie Hoffman (extensive personal files available on request) were found not guilty in Northampton, Mass., in an anti-CIA protest.

After the jury decision, unsuccessful prosecutor said message meant "middle America doesn't want the CIA doing what they are doing."

But no complaints here. Only respectful silence. Group estimated 65 percent male, 20 percent in dark suits. Mostly white. Several men in short, military-style haircuts, two women carrying babies. On tables before them, pitchers and glasses holding ice cubes, clear liquid. Probably water.

Data from briefing:

CIA is hiring in several departments, emphasizing its Operations Directorate — which usually means service abroad with clandestine contacts and all the rest. Requires bachelor's degree, foreign language aptitude, is open only to those under 35 years of age.

Other departments include Intelligence, where incoming data is analyzed; Science and Technology, where ideas for spy satellites, tiny cameras and Glomar Explorer submarines originate; and Administration, which is like any company's administration, George said, "but with a twist."

Payroll, for instance.

"Some of the people who work for the CIA can't admit that they work for it ... They've got to be paid clandestinely, covertly ... It's payroll, OK, but it's payroll with a twist."

In all departments, new employees make \$22,000 to \$35,000, depending on qualifications. Training period, especially for Operations personnel, can take years. Career dedication is expected.

Outside intelligence: In 1986, informal survey by *The Washingtonian* magazine found that CIA "emerged decisively as the best place to work in government."

Various observations from George on CIA life:

- Undercover work is "a people business, ladies and gentlemen. It's wall-to-wall, belly-to-belly people."

- "People commit espionage, betray their governments — whatever you want to call it — for the same reasons you do everything else in life."

- "There is a myth abroad that not a sparrow falls but the CIA shot it down. It's not true, but it is believed."

- "Most people feel that if they're doing something they're not supposed to be doing, it should be dark outside."

Brief story on CIA work and its strains on family life. On one assignment, George was Cub Scout den leader. On night of father-son dinner, "I had to go and have a meeting ... My son said, 'Why did you do that to me, Daddy?' Well, I couldn't say, 'I'm a spy and I work for the United States government.' That doesn't sit very well with a 7-year-old."

Two warnings concerning lifestyle:

One — "The CIA is a drug-free environment ... We will investigate your drug history."

Two — "What we are looking for is areas of vulnerability ... Extreme hetero- or homosexual behavior is something we look at very carefully, and worry about."

Same room, 1040 hours. Kathleen A. Ball took questions on application procedures, explained that brief personal interviews would begin in a moment. George offered advice on what to tell friends about meeting:

"If you are a serious candidate, start laying the groundwork ... Start talking about overseas work, start talking about the government, start talking about the Washington area, but don't talk about the CIA."

Applicants rose, formed lines with minimum chit-chat. Reactions:

"I've done video production, and photography, and I've lived in foreign cities before," said a woman, thirtyish, in a gray suit. "And I've always been curious about the activities of the CIA. I'm interested."

Further down hall, young man in military haircut leaned over application form. Spoke politely but firmly: "I don't want to talk to any reporters about anything. Sorry."

Other reactions:

"I saw the advertisement in *The Wall Street Journal*," said man, 31. Said he previously held aerospace industry job — "military hardware, so I thought this was right in line."

Another man, 27, said he was born in Iran, became U.S. citizen two years ago. Would like assignment "either in the Middle East or Europe ... It's a matter of gathering the information — somebody has to do it."

A woman, 21 years old, in crisp, blue blazer. Said she was a college senior, political science major, home for spring break, taking opportunity to apply for CIA.

"I liked it," she said of presentation. "I'm interested."

Privately, in hallway, George estimated that "probably one or two" of those present would attain CIA employment. Noting good turnout, he said interest has remained stable in the two-plus years he has been recruiting.

Front table, 1105 hours. Between interviews, Kathleen A. Ball looked up to find reporter seeking business card. Warned strongly against using names of applicants, loudly warned applicants that mention by name in paper means end of career in espionage. Urged reporter to write "good story."

If not, she said, voice turning mock-sinister, "We have ways ..."

She appeared to be kidding.

CITY PAPER
10 April 1987

STATINTL

THE COMPANY'S CAMPUSES

BY CARY BRAZEMAN

WHEN ANN LOWELL showed up for her interview with a campus recruiter from the Central Intelligence Agency last spring, she expected to meet a lean, gruff interrogator, hardened by years of spying on the Kremlin. Instead she was greeted by an overweight, balding man who said he sat behind a desk most of the day.

During the next half-hour Lowell learned that the CIA is not just in the market for James Bond-types. Rather, CIA job openings include slots for secretaries and mathematicians, journalists and zoologists, machinists and psychiatrists.

Lowell, who was graduating from GU's School of Foreign Service (SFS), wanted a job with an international focus and had set her sights on investment banking or retailing. Then she noticed a CIA recruitment notice posted at GU's Career Planning and Placement office encouraging students to submit resumes for review. Lowell was curious. She handed in her resume, and several weeks later she was granted an interview.

Although Lowell decided after the interview not to pursue a CIA career,



dozens of students from Georgetown and other local universities have completed the process and been recruited by the Agency, which generally visits each campus twice a year. D.C. colleges, in fact, are leading suppliers of new CIA blood—last year, GU provided the CIA with more recruits than any other school in the country, followed by George Washington University, the University of Maryland, and American University.

Harold Simmons, chief of the CIA's Washington-area recruitment center, won't disclose the number of students recruited from D.C. schools. He says that information would facilitate "the opposition's" ability to determine the size of the

CIA's training corps. Simmons does divulge, however, that GU is absolutely "a gold mine" of applicants for entry-level positions. "It's easy to see why so many students [at GU] are interested in us. What better place is there for a career overseas—in international relations, area studies, area disciplines? Georgetown is recognized for those things, so it's only natural."

Bruce Norton, director of American University's political science program, contends that the CIA's popularity at AU says more about the students than the university. "Students of the '80s are far different than students of the '60s," says Norton. "They're not quite as ideologically committed to the left as they were at one time."

Becky Weir, coordinator of on-campus recruiting programs at the University of Maryland, credits the CIA's popularity at her school to the fact that its students, over 70 percent of whom are from the D.C. metropolitan area, have a natural orientation toward government careers. "A good number of their parents or relatives work for the government already," says Weir, "so that's what they're used to. And they wouldn't ever think to protest."

Hugh LeBlanc, chairman of George Washington University's political science department, sees the CIA's appeal differently. "People are looking for jobs," he says, "and [the CIA is] hiring. They offer a lot of opportunity. It's as simple as that."

Ann Lowell abandoned the CIA because she found the opportunities at the Agency limited. "After hearing the man speak, I felt like I was at their mercy," recalls Lowell. "I didn't get the impression that I would have any control over my career. I also figured it would be hard to switch careers, given the degree of secrecy that would forever surround my background."

CIA recruiter Simmons says it's a misconception

that a CIA career is limiting. "You can really move around in a unit. And the CIA has four directorates: Administration, Intelligence, Operations, and Science and Technology. So there's always a place or a position for you once you're in." Simmons points out that CIA employees are so satisfied with their work that the Agency's attrition rate is only 3 percent.

"I don't want to gush sugar out of my lower lip, but the CIA is a very exciting place to work," says Simmons. "The Agency provides its professionals with whatever technology they need to get the job done, and after three decades I can't imagine working anywhere else."

Harold Bean, a retired CIA official who serves as GU's agency officer in residence, is equally enthusiastic. "After 35 years in the outfit, I can safely say that the CIA is a good employer," he says. "And it doesn't exactly look too bad on a resume either."

GU's Career Planning and Placement Director Eric Schlesinger is less exuberant about the CIA path. Although he applauds the efficiency and organization displayed by the CIA's campus recruiters ("I wish that every recruiting organization were as responsive to us as they are"), he acknowledges that a career with the CIA "raises questions" about the kinds of lives students want to lead.

Schlesinger recounts the story of a Georgetown graduate he met at a CIA-sponsored briefing several years ago. "The woman," he recalls, "worked in the directorate of Intelligence, and she said that her work is the closest thing to the academic world outside of the university setting, where all she does is read, write, and research. But unlike an academe who can be published and present papers at conferences, she will never have that opportunity."

CIA recruitment has raised discontent on scores of campuses around the country—but not because it's a limited career. Protesters charge that the CIA's support of the contras violates several national and international laws.

On March 19, the last time CIA recruiters set up shop at GU, two dozen picket-toting students gathered, chanting "break the ties to murder and lies—CIA off campus." The students, calling themselves Students Against the CIA on Campus, hung effigies representing "victims of direct and indirect CIA operations," passed out literature detailing what they consider the wrongdoings of the CIA, and demanded that the university end all affiliations with the Agency. So far, Georgetown and GW have been the only sites of organized student protest.

Elsewhere, the scene is more lively. In a series of anti-CIA protests at the University of Massachusetts in Amherst, 71 people, including former President Jimmy Carter's daughter Amy and former Yippie leader Abbie Hoffman, were arrested last November. The CIA subsequently canceled and relocated its interview sessions.

CIA recruiters moved off campus following protesting at the University of Vermont as well. (In addition to anti-CIA rallies, the UV protesters "mined" the entrance to the off-campus interview site with eggs buried in beds of wood chips to symbolize the CIA's mining of Nicaraguan harbors.) And protesters at the University of Connecticut claim their actions this fall forced

the CIA to cancel UConn interviews altogether for the first time in 16 years.

CIA spokesperson Sharon Foster says anti-CIA student protests are not new. "I think that we have always had some demonstrations against us at some schools," she says. However, Foster says, "there has been an increase in the last year or two."

Foster notes that the Agency "comes on campus the same way that any recruiter does, and that's by being asked by a placement director because [students] are interested in being hired by us." As for the recent rash of protests, Foster hastens to explain that the CIA is "not a policy-making agency; that's made by the White House. We are the implementors of policy."

Former CIA official Harold Bean understands why students attack the agency. "If you're against the United States' foreign policy in Central America, it's hard to protest in general," he says. "It's much more convenient to protest the CIA."

The CIA recruits on about 200 college campuses annually and Foster says that applications have risen dramatically, doubling from 1985 to 1986. She attributes this to stepped-up advertising and recruiting efforts by the Agency, which has seen a budget increase during the Reagan years.

Foster says that although some highly experienced and skilled recruits garner as much as \$32,000 their first year on the job, most recruits with B.A.s and no experience start at between \$18,400 and \$22,500.

Describing the logistics of the CIA's campus recruiting efforts, Georgetown's Schlesinger says that the Agency usually visits GU twice a year, in the fall and in the spring. Exactly how they screen applicants varies, he adds, but in the fall the only criterion was that applicants be U.S. citizens. Other than that, anyone on the baccalaureate or graduate level was eligible to submit a resume for review. Of those who applied, 28 were selected by the CIA to be interviewed.

The CIA's extended interview process can take up to six months to complete. That deterred Lowell who was eager to land a job and discouraged by "all the red tape." The CIA's Simmons says the recruitment process is necessary because "we have to see how the applicant measures up to the average professional employee on board with us."

Applicants must complete an 18-page personal history statement and a battery of tests, including the California Psychological Inven-

most of whom are interviewed. (The CIA's Foster won't reveal the cost of these security checks.)

A polygraph test is another requirement, and if

the Agency is pleased with the results, the applicant is then called in again, this time for "a more vertical interview," says Simmons.

Simmons is quick to note that homosexuals

need not apply for CIA jobs. "They're derivations from the norm," he says. The same goes for felons, as well as habitual drug users and pushers, although casual drug use in the past doesn't disqualify a candidate automatically.

Simmons says that the Agency is more intent on finding a person of a particular "type," rather than one with a designated background. Quoting a CIA pamphlet, Simmons says that applicants should have "first and foremost, the drive to achieve."

What does the GU/CIA connection say about the university? "I think if you read the mission and goals statement of the university it talks about international focus, leadership in international arenas, service to the country. So it's a rather obvious fit," Georgetown's Schlesinger says. "Some people might think it's a more obvious fit than an investment bank might be...."

"This university and this office host equally and in the same way a representative from the CIA, the Catholic Relief Service, the military armed forces establishment, or the Peace Corps."

Claire Carey, assistant dean of GU's College of Arts and Sciences, also sees no reason to "read any philosophical implication" into the GU-CIA link. But Carey has trouble fathoming the notion in the first place. "If students really knew the extent of what the CIA does, I can't see how they'd be attracted to it," she says.

Bean regards such comments as a reflection of limited knowledge about the Agency. "[Most people] imagine the CIA as very conservative, and they picture a lot of Rambo-types running around. But it's neither as dramatic or dangerous as it's portrayed in fiction, and I've never been able to identify a particular political type." CP

Continued



Retired CIA official Harold Bean is now GU's Agency liaison.



CIA Go Home: A GU Protest

FILE ONLY

MAGAZINE SAYS BUSH HIRED COMBAT ADVISER FOR CONTRAS
WASHINGTON

STAT [] The office of Vice President George Bush sent a former CIA agent to Honduras in 1983 to work as a combat adviser for U.S.-backed Nicaraguan rebels, a magazine reported Thursday.

The Progressive quoted U.S. intelligence sources and rebel leaders as saying the ex-CIA agent, Gustavo Villoldo, went to Honduras with a letter of recommendation from Bush's national security adviser, Donald Gregg, named in earlier Contra-aid efforts.

Larry Thomas, Bush's press secretary, denied the report.

'The name Gustavo Villoldo means absolutely nothing to the vice president,' Thomas said. 'Donald Gregg insists that he does not know a Gustavo Villoldo.'

Matt Rothchild, managing editor of The Progressive, a monthly publication in Madison, Wis., said: 'We stick by our story,' by freelance reporter Allan Nairn.

'Gregg knew the guy,' Rothchild said in a telephone interview. 'He wrote a letter of recommendation for him. Whether the vice president knew him or not, we're not sure.'

Villoldo, identified in the article as a Cuban-American who participated in the Bay of Pigs invasion, could not be reached for comment.

Gregg's name has surfaced before concerning Contra aid shipments.

STAT [] Last August, he set up a meeting between former CIA officials and members of the CIA and Defense and State departments to discuss concerns by a former CIA official, Felix Rodriguez, about aid to the Contras.

Gregg said in December that he did not learn until afterwards that Rodriguez, a former protege, was deeply involved in private arms shipments to the rebels.

Gregg, in an interview with The New York Times, also insisted that neither he nor Bush had any links with the network, beyond knowing Rodriguez.

On Dec. 14, however, United Press International quoted a White House official as saying Lt. Col. Oliver North had complained last spring that Gregg was 'pushing' for hiring Rodriguez to help manage the arms network.

North was fired from his National Security Council post Nov. 25 for his role in the diversion of up to \$30 million in profits from clandestine arms sales to Iran to the Contras.

The arms sale and the diversion of funds to the Contras is now the focus of congressional and independent investigations.

The Progressive quoted former intelligence agents as saying Villoldo was one of several individuals recruited by Gregg to work outside normal CIA channels and to provide military aid for the Contras.

The magazine quoted U.S. officials who it said served in Honduras, as saying Villoldo was permitted to run his own semi-autonomous Contra support operation.

'We restate that neither the vice president or anyone on his staff has directed or coordinated any operation in Central America,' Thomas said.

'We've stated the facts as we know them and we are cooperating fully with all the formal inquiries underway into the subject,' Thomas said.

RADIO TV REPORTS, INC.

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STATINTL

FOR PUBLIC AFFAIRS STAFF

PROGRAM CBS News Nightwatch STATION WUSA-TV
CBS Network

DATE April 9, 1987 3:00 A.M. CITY Washington, D.C.

SUBJECT Melvin Beck Discusses U.S. and Soviet Intelligence

CHARLIE ROSE: Sex spy scandals and Soviet bugging of U.S. Embassies in Moscow have caused deep concern for our national security. Now critics are questioning the U.S. Government's role in failing to protect secrets and foresee Soviet attempts to spy.

STAT ☐ With us to talk about Soviet, as well as U.S., spying is Melvin Beck, a former CIA counterintelligence officer.

Welcome back, Melvin.

MELVIN BECK: Thank you.

ROSE: You once wrote a book called "Secret Contenders: The Myth of Cold War Counterintelligence." Is one of the myths of Cold War counterintelligence the idea that the United States doesn't do it as much as the Soviets do?

BECK: No, that's not a myth. The United States does it, just as the Soviets do.

ROSE: Okay. The same thing. I said the myth is that we don't do it. So the reality is that we do it every bit as much as they do, in terms of trying to spy.

BECK: Right.

ROSE: In what way do we go about our own efforts to spy on the Soviets, both in the United States, in terms of their embassy, and at Soviet Embassies around the world? You know, how do we go about it?

BECK: Well, my experience, of course, has been in Soviet Embassies around the world, and specifically in Cuba -- that was during Fidel Castro's time -- and in Mexico, Mexico City. In Mexico City, I was under deep cover, so my activities were a little bit apart from the norm of a station officer.

At any rate, it's very difficult. I'll take the Mexico City operation first. It's very difficult to bug the Soviet Embassy. Because if there's anybody that approaches close to absolute security, it's the Soviets. They've been in the business ever since 1917, from the time of the Revolution. And they are just that secure.

So, the only way, really, that you can get an inside look at a Soviet Embassy is -- in my case, it had to do with double-agent operations against the KGB.

ROSE: Find a KGB agent and turn him.

BECK: Well, not an agent, neces -- yeah, that's right. Find a KGB agent and turn him.

ROSE: My point, I guess, is asking: Is there anything that the Soviets do that we don't do, in terms of spying? Are we more gentlemanly about this? Are we more -- do we have different ethical boundaries?

BECK: Oh, no. No, we don't.

ROSE: If we had an opportunity, we would put bugging devices in their buildings, if we could.

BECK: Oh, if we could, of course.

ROSE: So, they may be better -- because of the different system and more control, they may be better at preventing us from...

BECK: Yes. That's my point.

ROSE: That's your point.

BECK: Yes.

ROSE: Are you surprised that they are able to compromise these Marines in Moscow?

BECK: Well, after the fact, no. No. Because it's nothing new for the Soviets to attempt to find the weaknesses of anybody.

ROSE: Everybody tries to do that.

BECK: Yeah. We do, too. Exactly. That's the point. You try to find the vulnerability.

Well, the Soviets, who certainly knew of the vulnerability of the Marines in Moscow and what their needs were, in terms of amorous adventures and such, simply took advantage of it. That was a simple operation.

ROSE: How many KGB agents did you turn while you were in counterintelligence?

BECK: Turn?

ROSE: Yeah. Get them to become a double agent.

BECK: Oh. I ran about -- while I was in Mex -- this never happened in Cuba. But in Mexico City, I would say I was running or participating in at least a dozen.

ROSE: A dozen KGB agents?

BECK: Oh, yes. A dozen operations, double-agent operations. And easily, there was a different KGB agent -- I mean a KGB officer, not an agent, for the operations. And there's no problem in knowing who the KGB intelligence officers were in Mexico City.

ROSE: Do you think we penetrate the Soviets as well as they penetrate us?

BECK: I can't believe it. We don't.

ROSE: They do a better job at spying than we do.

BECK: I wouldn't put it in those terms. They do a better job penetrating.

ROSE: What's the difference?

BECK: The difference is that there can be all kinds of penetrations: buggings, compromises, and so forth. But the results of them, both for the Soviets and for the CIA, are rather disappointing.

In other words, my belief is, and through my experience, and particularly from double-agent operations, that this is a sort of a game that goes on. They try their wiles. We try our wiles. Neither one of us gets a hell of a lot of intelligence out of it. But it's the game. It's the nature of the game. It goes on.

ROSE: But soon as you say that -- and I've got to close on this point -- we're talking about KGB agents in Moscow going in the American Embassy and having access to we don't know what, as well as bugging our typewriters and knowing the codes. That's a lot.

BECK: They found the agent who would allow them that access. That is something really extreme.

ROSE: That was a real coup for them.

BECK: That was a coup. No question about it.

ROSE: Melvin Beck, it's always a pleasure to have you. Thank you.

2
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ON PAGE 2

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WALL STREET JOURNAL
20 March 1987

Bush Aide Denies Report Of Saudi's Gift for Contras

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON — Vice President Bush's chief spokesman strongly denied a published report quoting a central figure in the Iran-Contra scandal as saying that he sent Mr. Bush a \$1,000 check for the Nicaraguan resistance movement.

The allegation by Saudi businessman Adnan Khashoggi was published in yesterday's Washington Times. The newspaper said that Mr. Khashoggi, who helped finance the sale of U.S. arms to Iran, asserted in an interview that he was invited to a lunch, hosted by Mr. Bush in 1985, aimed at raising funds for Contras. During most of 1985, Congress barred U.S. aid to the rebels.

Mr. Bush's press secretary, Larry Thomas, described the story as "false and misleading." Mr. Thomas said the vice president had never solicited funds from Mr. Khashoggi for the Contras, hadn't hosted a lunch involving Mr. Khashoggi and had never accepted any money from him.

Mr. Thomas said Mr. Bush made brief remarks to a conservative organization at a White House briefing in March 1986 on lobbying efforts to support the administration's Contra-aid package then pending before Congress.

The vice president's office released an exchange of letters between Mr. Bush and Mr. Khashoggi. A March 1986 letter from Mr. Khashoggi showed the Saudi expressed support for the aid program, and said he had two representatives at the briefing. But the letter doesn't mention a contribution. In April, Mr. Bush sent Mr. Khashoggi a letter thanking him for his support.

WASHINGTON TIMES
19 March 1987

STATINTL

Bush channeled Contra cash — Khashoggi

By Michael Hedges
THE WASHINGTON TIMES

A central figure in the Iran-Contra affair said he gave Vice President George Bush a \$1,000 check for the Nicaraguan resistance in 1985, months after passage of a law forbidding U.S. aid to the Contras.

"Vice President Bush was trying to raise money right and left for the Nicaraguan resistance in 1985," Adnan Khashoggi, an international Saudi Arabian financier linked to the Iranian arms deals, said in a week-

end interview with Arnaud de Borchgrave, editor-in-chief of The Washington Times.

Mr. Khashoggi also said Iranian arms dealer Manucher Ghorbanifar received a request from Lt. Col. Oliver North asking the government of Saudi Arabia to raise \$100 million for the Nicaraguan resistance.

He said Mr. Ghorbanifar approached him in London with the idea. "North asked me to ask you whether you could raise \$100 million for Nicaragua because you will be able to get a lot of favors from the

administration," Mr. Khashoggi recalled Mr. Ghorbanifar as saying.

Mr. Khashoggi said he refused to take the offer to the Saudi king.

"Look, [former President Richard] Nixon was my best friend in his administration and he couldn't help me or my business one iota," Mr. Khashoggi said. "All these guys can do is offer you an embassy abroad, and since I'm not going to be a U.S.

ambassador, forget about it."

Larry Thomas, the vice president's press secretary, denied the Khashoggi allegations.

"The vice president has never solicited funds for any Nicaraguan resistance effort," Mr. Thomas said. "He doesn't know them [Mr. Khashoggi or his aide.] There exists no record of correspondence between the vice president and either of the gentlemen you mention."

In October 1984, Congress passed the Boland Amendment that prohibited the U.S. government from giv-

ing support, directly or indirectly, to groups fighting the Marxist Sandinista government in Nicaragua.

The State Department was authorized in 1985 to solicit humanitarian aid from third countries for the Contras.

Mr. Khashoggi said he was invited to a lunch, aimed at raising money for the Contras, hosted in 1985 by Mr. Bush.

Mr. Khashoggi said he sent the vice president a check for \$1,000

through an aide and received a "form" thank-you letter in return. Mr. Khashoggi showed Mr. de Borchgrave a copy of the letter during the interview.

"They have been very careless," he said. "You don't know whether to laugh or cry when you see these things. It's amateur night at the opera. This Bush thank-you letter is a classic example of how not to do things."

Mr. Khashoggi also told The Washington Times that the CIA either through ineptitude or deliberate sabotage destroyed negotiations between the National Security Council and the Iranians, blowing what-

ever chance existed to get American hostages out of Lebanon.

He said retired CIA agent George Cave, a fluent Farsi speaker who traveled to Tehran with former National Security Adviser Robert McFarlane last year, "cooked his own deal to release some hostages quickly by giving the Iranians \$500,000 worth of TOWs [missiles] quite separate from the other deals we know about."

Mr. Khashoggi said this offer created conflicts among factions of the Iranian government that led to the negotiations falling apart. "It sabotaged the entire initiative," he said.

When asked to assess Mr. Cave's motives, Mr. Khashoggi said, "Was the CIA jealous of [Col.] North's network? Definitely deliberate sabotage."

According to the Tower commission report on the Iran-Contra affair, Mr. Cave acted as an analyst and interpreter for Col. North, then a White House national security aide, and Mr. McFarlane during their May 1986 trip to Iran.

Mr. Cave said in statements quoted by the Tower commission that he was highly suspicious of Manucher Ghorbanifar, the Iranian middleman involved in the deals, and that he believed Mr. McFarlane's involvement in the negotiation was a mistake.

"It was quite clear that Ghorbanifar was lying to both sides to blow this deal up as big as he could," Mr. Cave wrote. "We should not have subjected a senior U.S. official [McFarlane] to the indignities he was forced to endure."

Mr. Khashoggi was the leading financier in the Iranian arms sales. He has been reluctant in the past to talk about his role, but in recent extensive public statements he has given complex and sometimes differing accounts.

The U.S. government has successfully sought to freeze some of Mr. Khashoggi's bank accounts in Switzerland. Papers cited by the Tower board suggest he was simultaneously charging Mr. Ghorbanifar and Lake Resources, the company used by Col. North in the deal.

In the interview, Mr. Khashoggi vehemently denied that he had known Mr. Ghorbanifar for years as Mr. Cave testified before the Tower commission.

"A lie, totally and completely false," he said.

In the interview, Mr. Khashoggi criticized U.S. foreign policy, principals in the Iranian arms deals and President Reagan.

Asked if Mr. Reagan had knowledge of diversion of funds from the deals to the Contras, he said, "The president was informed in a general way, while he was adjusting his tie for a photo opportunity, or getting ready to leave for Camp David, that everything was on track, that the Contras were being taken care of."

He claimed that Israeli arms merchants Yaacov Nimrodi and Al Schwimmer skimmed \$5 million in profits from early weapons deals they brokered, which angered Iranians who were expecting kickbacks

"The Israelis had pocketed \$5 mil-

Continued

2.

lion. Nothing for our friends in Iran who had been led to believe they would be getting a chunk of it as seed money for the pro-Western faction," he said.

Mr. Khashoggi's comments included a claim that he warned Israeli official Amiram Nir and Mr. Ghorbanifar that they were tempting the Iranian government to take more hostages by backing the arms-for-hostages deals.

"I said, 'Gentlemen you are playing with fire. The moment these mullahs understand how easy this has become, they will understand what they have to do to get from the Americans whatever they want. Tomorrow they can kidnap an American from the Athens Hilton bar, from here, there and everywhere . . . You are simply whetting their appetite.' "

WASHINGTON POST
18 March 1987

ASL

Rowland Evans and Robert Novak

The Republicans Aren't Ready Yet

NASHUA, N.H.—When George Bush used his preferential status at the year's first full-fledged Republican presidential cattle show to deliver a yawner in praise of the CIA, it was the finishing touch on a weekend demonstration of how unready the party is for 1988.

Since the vice president used his political power to demand and secure privileges denied six other hopefuls at the northeastern regional party conference, the prospect of his Saturday luncheon speech excited speculation. It did prove a surprise. Sometimes labeled the résumé candidate, Bush devoted his full 20 minutes to one item on that résumé: his year as Gerald Ford's CIA director.

That demonstrated fragility and brittleness in the front-runner's campaign, but his pursuers were not measurably more impressive. Sen. Robert J. Dole reflected organizational start-up problems with an erratic, unimpressive showing. Rep. Jack Kemp was better than that but not good enough to seize imaginations. The also-rans showed why they are also-rans.

Thus, what could have been a disaster for the vice president instead proved his challengers are not ready for prime time. In the very city where Bush's insensitivity during the famous 1980 debate clinched Ronald Reagan's nomination, his competitors failed to exploit Bush's ham-handed power politics.

Gov. John Sununu, Bush's chairman in this first primary state, muscled State Chairman Elsie Vartanian into giving the vice president the choice luncheon spot while the others were herded into a Friday-night ghetto limited to five minutes each. The Bush campaign peremptorily assumed the party's function, changing the menu and physical arrangements. Sununu was a palpably pro-Bush moderator as he introduced the Little Six for their speeches.

But nobody took advantage, especially Dole. While moving up quickly, the Senate minority leader still has not sorted out personal disputes between his backers. That suggests a possibly endemic weakness in his political style, as did other aspects of his Nashua appearance.

He came here after first threaten-

ing to boycott the Bush coup, but unlike other members of the Little Six, he skipped the Saturday panel discussions. He discarded prepared remarks Friday night, reverted to form by zinging Bush and filled most of his five minutes with a tired anecdote of Kansas politics drawn from his basic speech. He then left the room, skipping the keynote address by a non-candidate: Secretary of Education William J. Bennett. "Bob better decide whether he wants to tell jokes or be a candidate," a potential New Hampshire supporter told us.

That opened the door for a virtuoso performance badly needed by Kemp. But while sounding more like a presidential candidate than his rivals, he emulated Dole in throwing away pre-

pared remarks (which stressed social issues, partly to woo New Hampshire's uncommitted Sen. Gordon Humphrey). Kemp, though forceful, affirmed accusations that he remains Jackie-one-note by calling for a flat tax and a sound dollar.

Other cattle show entrants ranged from poor to adequate, generating a momentary presidential boomlet for Bennett, who had time enough for a real speech and revived the dozing audience. This raised expectations that Bush might make his solo appearance Saturday a tour de force, perhaps asking members of the Little Six still in Nashua to join him on the dais.

Although nothing so astute was contemplated, what he did do was hardly less unusual. His strategists were trying to establish Bush credentials, independent of the Reagan presidency and without any hint of disloyalty, by delivering an encomium on the CIA. The resulting speech was most odd for a political event, only twice evoking applause from an audience packed with Bush backers.

His performance shows not much has changed in Bush's front-runner strategy. His handlers welcome the addition of moderate supporters of Howard Baker, now departed from presidential candidate ranks, to his hard-core party faithful and figure that is enough for the nomination.

That explains the question asked us, by Bush's principal political aide, Lee Atwater, about his chief's absence Fri-

day night: "What good would he have done himself up there with everybody else?" Atwater last month asked nearly the same rhetorical question about Bush's absence from the Conservative Political Action Conference.

That mind-set might move Bush toward the nomination by using political muscle and a polished résumé, while he ignores fair treatment for his opponents and a political vision for himself. But it may be a formula for disaster if one of the Little Six breaks out of the pack.

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WASHINGTON POST
17 March 1987

Bush Defends Routing Contra Backer to North

United Press International

ORLANDO, Fla., March 16—
Vice President Bush defended his referral of a contra supporter to then-National Security Council aide Oliver L. North, but acknowledged today that such inquiries should be sent to the agency chief.

Bush said the letter he sent March 3, 1985, to contra supporter Dr. Mario Castejon of Guatemala, advising him to contact the Marine lieutenant colonel, was a routine correspondence.

"I answer my mail and I referred him to the NSC, which I should do," Bush said during a fund-raising

swing in Florida. "Frankly, I didn't even read the letter. It was all in Spanish and I don't read Spanish."

But Bush said future inquiries should be referred to the head of the National Security Council, rather than to an aide such as North, who was later fired in November for his role in the Iran arms-contra aid scandal.

Bush's letter to Castejon surfaced Sunday in a Miami Herald report suggesting that the correspondence showed Bush knew more about NSC efforts on behalf of the contras than was previously disclosed. Bush told Castejon that North "would be most happy to see

you" and discuss aid for the Nicaraguan rebels.

The furor was a "non-story," Bush said, unless the public is interested in day-to-day administrative matters. "It's just smoke."

During his appearance in Florida, Bush announced plans to visit Ecuador Sunday to survey an estimated \$1 billion damage from an earthquake and to discuss possible U.S. relief.

Bush, who planned to attend a series of Florida fund-raisers for his presidential bid, said: "I've never felt stronger politically in my life. It's hard to tell, but I just can't accept the tarnished-image thing."

WASHINGTON TIMES
16 March 1987

FILE ONLY

STATINTL

Thornburgh, Bennett steal ovations at GOP's rally weekend in N.H.

By Ralph Z. Hallow
THE WASHINGTON TIMES

NASHUA, N.H. — Two leading Republicans who are not presidential candidates drew the most applause here at a GOP gathering billed as a "weekend with the next president."

The biggest surprise, according to a number of observers, was the performance by former Pennsylvania Gov. Richard Thornburgh, who substituted for Senate Minority Leader Robert Dole on a Saturday panel originally reserved for GOP presidential hopefuls.

"The Republican Party should quit apologizing for being the party of business," Mr. Thornburgh told a cheering audience of several hundred GOP officials from 14 Northeastern states.

"In a time of economic difficulty when we're losing world markets, somebody has to be the party of business and galvanize the free enterprise system," he said.

In another line that drew sustained applause, he said, "In Pennsylvania, we reduced our state payroll by eliminating 15,000 unnecessary positions from a swollen bureaucracy while the federal government during the last eight years was adding 8,000 new jobs."

Though already committed to Vice President George Bush, New York State Assemblyman Glen Harris said, "Thornburgh was the best of the panel speakers."

Observers praised the self-confidence and clarity with which Mr. Thornburgh spoke.

Mr. Thornburgh, a two-term governor who was required by the Pennsylvania constitution to step down this year, said he "did not come here as a presidential candidate."

But he did not rule out a presidential bid. "In the unlikely event none of these [GOP] candidates catches fire, non-candidates will be taking a look and that might include me," he said later in an interview.

At Friday night's opening banquet here, Education Secretary William Bennett, the

keynote speaker, drew the only standing ovation after what many dinner guests described as lack-luster performances by six presidential hopefuls who had been asked to confine their remarks to five minutes each.

Mr. Bennett stressed the importance of family values instead of government action. "The family is the original Department of Health, Education and Welfare," said Mr. Bennett, who frequently brings conservative audiences to their feet.

After his speech, someone in the audience handed Mr. Bennett a note suggesting he run for the GOP nomination. He looked around, smiled, then shook his head "no."

Mr. Bush, accompanied by his retinue of Secret Service agents and provided with a Teleprompter-like device for his Saturday luncheon address, also generated some excitement, particularly when he accused some unnamed Republicans of being "conspicuously silent" in their support for the CIA.

The "lesser candidates," as they took to calling themselves, shared the limelight during panel appearances Saturday. And, most observers agreed, their performances were better than Friday night's.

In presenting a five-point program for restoring "the credibility of U.S. foreign policy around the world," Pat Robertson said, "Like it or not, we're the successor in the Free World to the strong, peace-keeping empire that Britain once was."

Rep. Jack Kemp of New York, also addressing foreign-policy issues, said the Soviet Union's "approach to arms control is the same as Andy Warhol's definition of art — it's anything you can get away with."

Mr. Kemp took on his party's establishment, which is divided over whether President Reagan's Strategic Defense Initiative should be deployed quickly or used as a bargaining chip with the Soviets.

"Too often the Republican Party has believed that if something is popular with the people, as SDI is, there must be something

wrong with it," he said.

Donald H. Rumsfeld, who has served in a variety of top positions in past Republican administrations, agreed with Mr. Kemp that quick deployment of available SDI technology would not be provocative toward the Soviets.

"Our task is not to win nuclear war, but to deter it," Mr. Rumsfeld said, adding that the "two greatest threats to our world are nuclear war and appeasement."

Choosing to address domestic policy issues, former Secretary of State Alexander Haig said the "two flaws in launching the Reagan administration were the failure to recognize the interdependence that binds all nations in trade and economic affairs and a propensity to economic theories that will achieve the millennium."

Pierre du Pont used his appearance on the afternoon domestic-policy panel to unveil a plan to end welfare and to repeat his proposal to end all farm subsidies. Friday night, Mr. du Pont, a dark horse largely unknown outside the Northeast, won points from some observers by challenging Mr. Dole, a Kansan popular with farmers, to a debate in Iowa on agricultural policy.

"Du Pont was exceptional," said Bush aide Rich Bond. "Challenging Dole was his way of getting into the [presidential] race."

WASHINGTON POST
15 March 1987

Sack Leakers, Bush Says; Robertson Would Seal Border

By Paul Taylor
Washington Post Staff Writer

NASHUA, N.H., March 14—Vice President Bush proposed today that, to plug intelligence leaks, Congress restrict itself to a single joint intelligence committee and that the Reagan administration "make some examples of leakers in our own ranks by publicly firing them."

"I don't believe in the wholesale use of the polygraph, but when legitimate national security matters are at stake, I say use it," Bush told several hundred northeastern Republican activists at a conference billed as "a weekend with the next president."

Needed in the local press for not joining six prospective 1988 opponents at a Friday night kickoff dinner ("Bushgate," said a Boston Herald headline; "GOP Hopefuls Meet Sans Bush" said the Manchester Union Leader), Bush ignored the mini-flap. The tactic drew plaudits from supporters.

"To me, he was very vice-presidential," said Victoria Zachos, a former national committeewoman from Concord. "People have been saying he's too wimpy. How can you be a wimp and be the former head of the CIA? I mean, really! It's impossible."

Bush said his 1976-77 duty as Central Intelligence Agency director came at the "tail end of a witch hunt that laid bare the agency's innermost secrets" and wound up costing the lives of some agents.

He chided "certain Democrats who act as if the CIA is an embarrassment or a threat or just another bureaucracy" and "some Republicans who are conspicuously silent in their support." He did not name names, and his political aides either could not or would not.

If the speech was meant to project a tough image on matters of national security, Bush had plenty of company.

Rep. Jack Kemp (R-N.Y.) this morning called on all Republican

candidates—especially Bush—to "join me in pledging to deploy SDI [the Strategic Defense Initiative] as soon as possible so that America is no longer defenseless against incoming Soviet missiles."

Kemp said there is "a fierce debate going on in this administration between the president, who believes in deployment, and the State Department, which wants to use it as a bargaining chip." He said early deployment would be his "highest priority" as president and that the first phase could be operational by 1992.

"To those who say [SDI] is provocative," Kemp said, "that is the moral equivalent of saying that a policeman with a bulletproof vest somehow provokes criminals."

His exposition drew a rave review from Marion G. (Pat) Robertson, a fellow foreign-policy panelist, who told Kemp he was "superb."

The television evangelist echoed Kemp's enthusiasm for early SDI deployment, but he also made a

pitch for expanding conventional forces to guard against a scenario in which the Soviets move tanks into post-Khomeini Iran and try to achieve a "takeover of the strategic oil reserves of the world."

"We are going to have to think about projecting conventional forces"—Robertson mentioned "several divisions and the Seventh Fleet"—"into the Middle East to prevent such a scenario."

On another matter, Robertson proposed that the Mexican border "be closed" so that Hispanics already here—as well as blacks and whites—are better able to find jobs. He advocated beefing up the Border Patrol.

Former defense secretary Donald Rumsfeld, making his first appearance at a presidential "cattle show," also endorsed Kemp's call for early SDI deployment and said the two greatest threats to mankind are "nuclear war and appeasement." He called for a no-ransom antiterrorist policy. He also endorsed

"constructive engagement" in South Africa, saying that sanctions "are not in the interests of the blacks or of the United States."

Today's panel discussions were held without Senate Minority Leader Robert J. Dole (Kan.), who chose to leave before Bush arrived for star billing as the luncheon speaker. "Hey, if a guy gets a good deal, I say take it," said Dole. "I'd just like to know who his booking agent is."

Predictably, operatives for rival camps milled around the hotel lobby grumbling about Bush's Friday night absence. "He hurt himself; he's come off as aloof," said John Maxwell, a Kemp campaigner.

But the flap seems likely to be forgotten as quickly as it arose. Bush spent this afternoon meeting privately with party leaders, then taking questions in a supporter's living room—presumably to show he could be the "see me, touch me, feel me" candidate that New Hampshire Gov. John H. Sununu (R) said his constituents demand.

THE VICE PRESIDENT
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Saturday, March 14, 1987

EXCERPTS FROM REMARKS BY
VICE PRESIDENT GEORGE BUSH
NORTHEAST REGIONAL LEADERSHIP CONFERENCE
NASHUA, NEW HAMPSHIRE
SATURDAY, MARCH 14, 1987

I'm delighted to be here among the Republican leaders of the Northeast.

Spying -- or more precisely, intelligence -- is what I want to discuss this afternoon. Two weeks ago in Bedford, Massachusetts and then again in Bedford, New Hampshire, I talked about the need for SDI, the system that puts weapons at risk, not people. I talked about the need to support those fighting for freedom in Central America and about the opportunity we have to obtain a verifiable reduction in intermediate range nuclear missiles. Our intelligence system is central to all these issues.

I came here today to say that as leaders we must be more vocal and public in supporting the intelligence community in our society. We must make clear that the C.I.A. has an honorable mission. We must recognize that even in a free and open society, some things must remain secret. And I believe we must strongly support legitimate covert actions that are in our national security interests.

Certain Democrats act as if the C.I.A. is an embarrassment or a threat or just another government bureaucracy, not this country's first line of defense.

Some Republicans are conspicuously silent in their support, believing it's politically unhelpful to be associated with the Agency. Ladies and gentlemen, I am genuinely concerned about how our intelligence system will maintain public approval, unless those of us in the political arena begin to speak out on its behalf.

It is essential that we have an intelligence community second to none. Fortunately, the Agency has returned from the devastation it faced in the 1970's. Its reputation and honor were dismissed. Its budget was cut 33% in constant dollars, and it lost 25% of its personnel.

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But rather than seeking to correct the Agency's flaws, critics simply attacked. I went to the C.I.A. at the tale end of a witch hunt that laid bare the agency's inner most workings. I can remember young, untutored Congressional staffers coming to headquarters and accusing experienced professionals of not serving the interests of the country. These were people who had risked their lives for their country.

It was a terrible time. The names of agents were exposed. One result etched in my mind is the brutal murder of our station chief in Athens, Richard Welch. Two weeks after his name was listed as C.I.A. in an ugly left wing publication, two gunmen, armed with automatic pistols, cut him down at his home in Athens. Other sources, fearing for their lives, disappeared. some were killed. It was a time when many lost sight of how important the Agency was to our national security.

I learned a great deal when I had the honor of running the C.I.A., especially about leading people of purpose and integrity. And from the day I set foot inside its headquarters, I found it to be an organization whose motives were clear, and honorable, and in the national interest.

It's first priority is to prevent a surprise attack on the United States. If the C.I.A. had existed in 1941, the surprise at Pearl Harbor would've been on the Japanese, and I'll tell you how I can say that. Because taken as a whole, the Army, the Navy, and the State Department had enough information to understand what the Japanese were doing. But there was no central place for this information to come together. That place today is the C.I.A.

Our main adversaries in 1987 are the Soviets. We have an excellent understanding of their military capabilities. We know where their strategic bombers are located. We know how many strategic missiles the Soviets have. We keep track of their submarines, with reasonable accuracy. The scope of information we have today would have been astounding in 1941.

Our intelligence technology is breathtaking -- the satellite photography, the electronic, the acoustical and the seismic techniques. The American people have no idea how good it really is.

And what's more, the C.I.A. has some of the nation's brightest people to analyze this information. I wish you could meet them and get to know them like I have. The C.I.A. has more Phd.'s than any other agency of government -- enough scholars and scientists to staff a university. And let me assure you, the professionalism is too high, the devotion to country too great, to have intelligence estimates slanted and shaped by political judgements.

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They are people of principle, many of whom put themselves on the line to gain information about our enemies. I recall a young woman of about 35 who was brought into my office one day. She'd been arrested at a dead letter drop by a hostile intelligence service. She hadn't been tortured, but she'd been through a tremendous psychological ordeal. If her cover hadn't been blown, she would've gone right back. She was risking her life almost every day. No head table, no applause--a dedicated patriot serving her country to preserve the freedoms that we often take for granted. This is true integrity of purpose, and the Agency is full of such people.

A relatively new priority is collecting information necessary to thwart terrorist attacks and to interdict drug shipments.

With our allies help, from January of 1985 to February of this year, 55 probable and another 114 possible terrorist attacks were averted by deterrent action. I am talking about lives that were saved.

In Turkey, security officers last April arrested Libyan-supported terrorists who were planning to attack the U.S. Officers Club in Ankara during a wedding celebration.

In Paris, about the same time, officials thwarted a similar attack planned against citizens in a visa line at the U.S. consulate.

In North Africa last year, a Libyan-backed assassination attempt on an American military attache was foiled.

If we and our allies hadn't succeeded in cases like these, you can picture the grisly scenes that would've appeared on the evening news.

People often want to know about C.I.A. infiltration of terrorist groups. Quite honestly, we were once able to penetrate these groups much easier than we can today. They're more sophisticated in identifying our agents, and they take greater precautions than they once did. It's harder to get our people placed, because the terrorists often come from family groups. And once we do get in, it's harder to get information out.

Take, for instance, five recruits in the Bekaa Valley who have been selected by the Hizballah to blow up an American installation. They are searched. They are isolated in a guarded camp. And they aren't told until absolutely necessary what their mission is. So even if we do have someone in there, it's very hard to maintain contact.

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The C.I.A. is constantly studying developments affecting broader U.S. security. In recent years, for example, there's been more attention focused on the Soviets lag in high technology and their efforts to steal ours. We know, for example, the precise gyros and bearings in their heavy missiles were designed in the U.S. We know the radar in their AWACS planes is ours. We know that many Soviet integrated circuits are exact copies of U.S. designs. They even copied the imperfections.

The Soviets use dummy firms--some legal, some illegal--to purchase Western technology. The C.I.A. has identified some 300 firms in more than 30 countries engaged in technology transfer schemes.

The Agency looks at everything from the effects of AIDS on the stability of African countries to the consequences in Jamaica of reduced demand for bauxite. It is constantly analyzing developments that might affect our long-range security and that of our friends.

Now you may wonder where covert action fits into all this? Covert action gives us the ability to help our friends, or confuse our adversaries, in those situations where open assistance from the U.S. could be counterproductive.

It provides us with a useful foreign policy option that's somewhere between diplomacy and sending in the Marines. The world is not a sunlit meadow. The world is not the way we want it to be, but the way it is. There are dangers out there that must be addressed, and covert action is sometimes the means to do it. We seem to think covert action is James Bond and ray guns. Often, it is quiet support that saves the lives of friends.

Without doubt, there have been some serious failures in the past, such as the Bay of Pigs effort. But today, there are very strict controls.

Every covert action must be approved by the President and made known to the Congressional Oversight Committees. And this is fine, because covert actions make sense only in support of a larger foreign policy. They make sense only when properly supervised and properly planned -- that was the problem with the NSC running the Iran initiative. The C.I.A. experts never had a chance to bring their full range of experience to bear. And the formal NSC policy apparatus was not properly used. The President has made the changes necessary to keep the NSC out of operations, but have all NSC participants totally immersed in policy.

The quickest way to kill a covert action or any kind of secret activity is through a leak. And I am telling you point blank -- agents have disappeared, and I'll leave it to your own imagination what happened to them, soon after stories leaked to the news media.

Some have been jailed. Leaks have caused other individuals, who were on the verge of becoming foreign agents for us, to back off in fear for their lives.

We have lost sources and we have lost what we call collection mechanisms. A few years ago one of the networks reported that we were intercepting communications between two unfriendly nations; communications about terrorist activities directed against Americans. Within a matter of days after the report, the channel was shut off. As a result of this reduced intelligence, american lives were put at greater risk.

Some of our allies have told us they're so concerned about our ability to keep secrets, they'll no longer provide the same information they once did, and the information they do provide will not be as timely. One intelligence service stated that terrorist information they were providing would appear in the U.S. press before they could act upon it.

The leaks come from the Congressional committees and from the Executive Branch itself. I believe a Joint Committee on Intelligence should be established to reduce the number of people who have access to very secret information. And I also believe the Administration needs to make some examples of leakers in our own ranks by publicly firing them. And I don't care how high up they are.

I don't believe in wholesale use of the polygraph, but when legitimate national security matters are at stake, I say, "use it."

Ladies and gentlemen, in the foyer of C.I.A. headquarters in Langley, Virginia, there's a Book of Honor enclosed in a glass case. It lists those C.I.A. employees who have died in service of their country. Some are named, but most even after death cannot be identified. So instead of a name, there is a simple star.

And in that same foyer is an inscription that explains why those individuals gave their lives. It's from the Bible and it says, "And Ye shall know the truth and the truth shall make you free."

I can think of no more honorable purpose for a government agency than truth and freedom. And, as leaders, I think we should be outspoken and out front in our support for the C.I.A.

Thank you for inviting me and thank you for your hospitality.

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ARNOLD BEICHMAN

Political savvy was missing

There is one thing that the following people have in common, in addition to gender: Lt. Col. Oliver North, Robert McFarlane, Rear Adm. John Poindexter, Donald Regan, George Shultz, Caspar Weinberger, and practically everybody else who knew a lot or a little about the Strategic Iranian Initiative or SII.

Not one of them was a politician. Not one of them had ever run or ever been elected to public office. Not one of them had ever had to answer for their actions to a popular constituency. Not one had ever come close to a voter except a relative.

The only politicians in this entire mess were President Reagan and Vice President George Bush. But they forgot the first principles of politics, let alone of covert action. It was a politician who once said: "we should not do secretly anything that we would not be proud to defend publicly."

The man who uttered that bit of wisdom was Republican Sen. Malcolm Wallop of Wyoming.

There was nothing morally reprehensible in seeking an opening to Iran. What was stupid was allowing a bunch of people who understood little about politics (let alone Iranian or Soviet politics) and knew even less about public opinion to play at secret diplomacy which, even if it all went well, would have had a minuscule chance of success. In other words, the Poindexter-North combo ran an operation which when exposed to daylight made the actors look like a bunch of burglars and the president the burglar-in-chief.

SII was the trivialization of foreign policy. In fact, SII was foreign adventurism, not foreign policy. Seeking freedom for hostages is laudable benevolence, not realpolitik. As for Col. North, he was a sort of conservative Che Guevara. Mr. Guevara thrashed about in a Bolivian jungle until his death. Col. North played hide-and-seek in a Persian marketplace and managed to come out of his adventure in one piece.

What would a politician know that

the above-mentioned didn't know? And why am I including in the list of non-politicians Messrs. Shultz and Weinberger, secretary of state and defense, respectively? Had the two Cabinet officers understood the American political process, they would together or singly have gone to Mr. Reagan and said that, unless this SII were taken out of the hands of the amateur brigade or it was called off, they would resign.

In the face of such a Cabinet revolt, I don't know what the president would have done. But a seasoned politician would have realized that Washington is no place to keep a secret and that it would leak somewhere, if not the nation's capital then somewhere else. Messrs. Weinberger and Shultz did Mr. Reagan no service by staying on and pretending that nothing was happening.

The first exception to my thesis about politicians is Mr. Bush. Here's a man who has run successfully for elective office, has been head of the CIA, ambassador to China, U.S. ambassador to the United Nations, chairman of the Republican National Committee, a candidate for president and still a candidate. How could he have flopped so badly?

The second exception to my thesis is William Casey, the former CIA director. He was a semipolitician, he

had run for Congress a long time ago, he had been Mr. Reagan's campaign manager in 1980. How he screwed up is a mystery which probably will never be solved. Perhaps, he was the loyal liege man willing to serve his sovereign.

What does a politician know that the amateur does not know? The politician knows that it is not necessarily true that the shortest distance is a straight line between two points. In fact, in politics it is frequently the longest way around.

The seasoned politician also knows that anything that looks easy is going to turn out to be difficult, otherwise it would have been done long ago. He also knows that if there's a particularly sticky problem like voting on a controversial bill, find some way around the obstacle by defusing the bill in such a way that only the U.S. Supreme Court could interpret the meaning if the bill were enacted into law.

And above all the politician knows that most socioeconomic problems cannot be cured overnight because legislative solutions usually create far greater complications than the original problem. When the temper-

ance advocates pushed through Prohibition did they ever imagine that they would help unleash the greatest wave of criminality and gangsterism in our history? How many people envisioned that World War II would end up with Central Europe a victim of Soviet thralldom?

A successful politician may be a trimmer, a compromiser, the man who ducks problems and always thinks of protecting his vulnerable bottom. Better he than the failed politician-turned-statesman, the elected official who begins to think of himself as a miracle-worker; e.g., Richard M. Nixon. It may have been House Speaker Thomas B. Read who succinctly defined a statesman as "a dead politician."

Proof of my thesis? Who's being called upon to rescue the ship of state? Politician Howard Baker, politician John Tower, politician Edmund Muskie, politician Paul Laxalt, and, for my money, politician Malcolm Wallop. No statesmen they.

Last, admittedly politicians are not nature's noblemen. Yet with all their footkeeying around with salary grabs and \$10,000 breakfasts they're a lot safer to have around than the types who have helped get the country into the kind of mess which will be a long time with us.

STATINTL

Bush Says He 'Expressed Reservations' To 'Key Players' on Iran-Arms Policy

By ELLEN HUME and JANE MAYER
Staff Reporters of THE WALL STREET JOURNAL
LANSING, Mich. — Vice President

George Bush said for the first time that he had "expressed reservations" about the Reagan administration's Iran arms policy to the "key players" as it unfolded.

Breaking with his longstanding practice of never disagreeing with President Reagan's decisions or describing his own advice in the White House, Mr. Bush said he is "deeply troubled" by evidence that the U.S. may have traded arms for hostages in violation of its own policy. The vice president stressed that he believes President Reagan didn't mean "in his heart" to trade arms for hostages.

Mr. Bush's comments, made yesterday to reporters during a Midwest swing to boost his 1988 presidential prospects, were a departure from his earlier remarks. In a Dec. 3 speech, for instance, he said he backed the president. While admitting that "mistakes were made," he said that "I was aware of our Iran initiative and I support the president's decision."

Asked at a news conference here yesterday if he had advised against the Iran deals as they went forward, Mr. Bush first brushed aside the question but added: "Key players around there know that I express certain reservations on certain aspects." Craig Fuller, his chief of staff, later confirmed that he was referring to the Iran policy, but neither he nor Mr. Bush would elaborate.

'First to Say It's Wrong'

Mr. Bush said that if investigators conclude that the U.S. swapped arms for hostages, "I would be the first to say that is wrong." While minimizing his own decision-making role, he said the controversy has eroded his support for the 1988 GOP presidential nomination.

He said he couldn't "pinpoint the date" when he first learned about the policy and

noted that a Senate Intelligence Committee report concluded he didn't attend the first meeting where it was discussed. "I don't know that I had a specific role in making any determinations" about the policy, he said.

He defended the Reagan administration's claim that it was dealing with Iranian moderates even though, according to a memo written by his own chief of staff, he was warned last July by an Israeli official that the deals were being made with Iranian radicals. He called it merely a difference of "semantics." But Mr. Bush said, "In looking back at it, it does raise a flag for me, but it didn't at the time, frankly."

In Washington, the Tower Commission, appointed by President Reagan to look into the Iran-Contra scandal, began to pore through transcripts of computer tapes of recorded conversations between members of the National Security Council.

The discovery of these tapes—many of which remained in a central computer memory bank inside the White House without their authors' knowledge—are the reason the commission needed a week's extension for its probe, Reagan administration officials said. On Wednesday, the panel was given until Feb. 26 to conclude its review—a delay ascribed to the need to examine unspecified "new material."

Messages by North, Poindexter

Reagan administration officials said the tapes included messages sent back and forth in recent months between Lt. Col. Oliver North, who was fired for his role in the Iran-Contra affair, and former National Security Adviser John Poindexter, who resigned as a result of the controversy surrounding the affair.

Many of the recorded messages were believed by their authors to have been deleted, but instead were automatically stored without their knowledge. Reagan

administration officials suggested that the tapes further established links between the NSC and the private groups that funneled aid to the Nicaraguan rebels during the period when Congress had banned U.S. assistance.

In a related development, ABC News reported last night that one such group, directed by Carl Channell, designated a special account identified as the "Toys Project" that is believed to have funded arms for the Contras. Mr. Channell, a conservative activist, enjoyed high-level White House contacts, and on at least one occasion, according to ABC, brought in a group of big donors to meet with President Reagan, his chief of staff, Donald Regan, and Col. North.

On another occasion last August, Mr. Channell was one of about 15 guests called into the White House to give political advice to Mr. Regan in a strategy session on the 1986 midterm elections, a participant in the meeting recalled yesterday.

The ABC report cited no specific evidence that the \$2.2 million reportedly raised during 1986 for the Toys Project actually bought weapons. But separately, intelligence sources said that among the multitude of companies and bank accounts linked to the Iran-Contra affair is one identified as Toyco S.A.

Those familiar with the records of Southern Air Transport said Toyco's name appears on payments made to the Miami-based air carrier, which was used in the Contra supply network. Previous checks in Switzerland and Panama, which are the bases of several companies used in the supply network, found no record of such a company being registered.

Last night, the White House had no comment on the ABC report other than to say "the whole thing is under investigation." Earlier in the day, White House spokesman Marlin Fitzwater refused to comment on any aspect of the Iran-Contra affair. "I'm not qualified or willing to discuss the Iran situation," Mr. Fitzwater said.

From SFS to CIA

GU Grads Flock to the Agency

STATINTL

by Cary Brazeman
HOYA Features Editor

Before last spring, Ann Lowell had never considered the Central Intelligence Agency (CIA) as a career alternative. She knew she desired a job with an international focus, but banking seemed the most likely prospect. Then Career Planning and Placement (CP&P) posted an announcement inviting students to submit resumes to CIA recruiters. Curious, Lowell handed in her resume. Several weeks later she was granted an interview.

Although Lowell, then a senior in the School of Foreign Service, decided after the initial interview that she was not interested in pursuing a CIA career, dozens of other Georgetown students have completed the entire process and been recruited by the Agency. In fact, the New York Times reported recently that GU provides the CIA with more recruits than any university in the country ("Campus Recruiting and the CIA," June 8, 1986).

Harold Simmons, chief of the CIA's Washington area recruitment center, refuses to confirm or deny that statistic, but he willingly admits that Georgetown is "absolutely a gold mine" in terms of its number of applicants for entry-level positions. Simmons won't disclose the number of students recruited from Georgetown, however, explaining that to do so would facilitate an outsider's ability to determine the size of the CIA's training corps.

Statistics aside, Simmons discusses the CIA's popularity at Georgetown without hesitancy. "It's easy to see why so many Georgetown students are interested in us," he says. "What better place is there for a career overseas—in international relations, area studies, area disciplines. Georgetown is recognized for those things, so it's only natural."

SFS Assistant Dean Andrew Steigman agrees with Simmons, suggesting that student interest in the CIA stems largely from the fact that SFS students are trained to do precisely the kind of intelligence work that the CIA demands. "The CIA is the closest thing to the previous experience of the student, who is trained here in the area of research and analysis," says Steigman. He adds that the CIA is one of two government agencies—the other is the National Security Administration—that offers a wide range of jobs in international affairs and also conducts exten-

sive recruitment drives annually.

Steigman further maintains that most students preferring to work in the public sector are "looking for a chance to serve—to work for a slightly larger purpose. The CIA offers something broader than just a job that's there; it provides students with another option."

Adjunct Professor Ray Cline, a former deputy director of intelligence for the CIA, agrees that the SFS curriculum, with its academic approach to foreign policy, easily inspires students to consider CIA careers. "Georgetown is a place where intelligence has been an academic subject for some time, where intelligence is a subject of natural interest to students," says Cline.

Claire Carey, assistant dean of the College, believes that students view the CIA less as an intellectually attractive job option than as a practical one. "Seniors get panicky and just apply," she says, "because the CIA is always hiring, whereas other departments of government aren't. Also, many of our students want to stay here in Washington after graduation, and government is a big employer in this town; the CIA offers a lot of opportunities."

To Lowell, however, the opportunities offered by the CIA seemed limited, and that's one of the reasons she abandoned her pursuit of a job with the Agency. "After hearing the man speak, I felt like I was at their mercy," recalls Lowell. "I didn't get the impression that I would have any control over my career. I also figured it would be hard to switch careers, given the degree of secrecy that would forever surround my background."

Lowell's reservations are common among prospective recruits, says Simmons, and while some of them hold true, others are just misconceptions. Citing the CIA's high degree of flexibility and its attrition rate of only three percent, Simmons says that "you can really move around in a unit. And the CIA has four directorates: Administration, Intelligence, Operations and Science and Technology. So there's always a place or a position for you once you're in."

"I don't want to gush sugar out of my lower lip, but the CIA is a very exciting place to work. The Agency provides its professionals with whatever technology they need to get the job done, and after three decades I can't imagine working anywhere else."

CP&P Director Eric Schlesinger is slightly less enthusiastic than Simmons. Although he applauds the efficiency

and organization demonstrated by the CIA's campus recruiters ("I wish that every recruiting organization were as responsive to us as they are."), he recognizes the fact that a career with the CIA "raises questions" about the kinds of lives students want to have.

Schlesinger recounts the story of a Georgetown graduate he met at a CIA-sponsored briefing several years ago. "The woman," recalls Schlesinger, "worked in the directorate of intelligence, and she said that her work is the closest thing to the academic world outside of the university setting, where all she does is read, write and research. But unlike an academe who can be published and present papers at conferences, she will never have that opportunity."

Describing the logistics of the CIA's campus recruiting efforts, Schlesinger says that the Agency usually visits GU twice a year, in the fall and in the spring. (The next round of CIA interviews will be March 19, according to Simmons.) Exactly how they screen applicants varies, he adds, but in the fall the only criteria was that applicants be U.S. citizens. Other than that, anyone on the baccalaureate or graduate level was eligible to submit a resume for review. Twenty-eight people were then selected by the CIA for interviews with Agency recruiters.

In these respects, says Schlesinger, the CIA's recruitment process is similar to other organizations'. But there are differences, too. "Some things do change," he says. "Now with other organizations we tend to hear back the number of people who are then called in for second interviews and the number who are made offers to and the number who accept those offers. Last year we heard that information from 50 percent of the organizations. We do not here that from the CIA."

It is this extended interview process, which can take up to six months to complete, that was another deterrent to Lowell. Eager to land a job as soon as possible, she was discouraged by "all the red-tape." Indeed, as Simmons concedes, the recruitment process is long and involved. But it's also very necessary, he continues, because "we have to see how the applicant measures up to the average professional employee on board with us."

Continued

Specifically, applicants must complete an 18-page personal history statement and a rigorous battery of tests, including the California Psychological Inventory. About 10 references must also be supplied, most of whom are approached personally to explain the extent of their relationship with the applicant. A polygraph test is another requirement, and if the Agency is pleased with the results, the applicant is then called in again, this time for "a more vertical interview," says Simmons.

He is quick to point out that homosexuals and lesbians need not apply for CIA jobs. "They're derivations from the norm," he says.

As for necessary qualifications, the CIA officer explains that the Agency is more intent on finding a person of a particular "type," rather than one with a designated background. Quoting a CIA pamphlet, Simmons says that applicants should have "first and foremost, the drive to achieve. They are oriented toward action and results; force of personality and a gift for dealing effectively with people; a consistently high level of academic performance; exceptional skill in both written

and oral communication; and impeccable standards of personal and professional ethics."

To assist in the process of advising students who may fit the CIA profile and are interested in a career with the Agency, Harold Bean serves as Georgetown's agency officer in residence. A retired CIA official, Bean teaches a graduate level course, "Institutions and Management in Foreign Affairs," and a sophomore seminar on terrorism. "I'm not basically here as a recruiter," says Bean, "but I'm perfectly willing to discuss the subject with interested students . . . I might have conversations with several people a week who inquire about the CIA and other firms."

Does the fact that so many Georgetown students are apparently bound for careers with the CIA have any philosophical implications for the university? Schlesinger doesn't think so. "I think if you read the mission and goals statement of the university it talks about international focus, leadership in international arenas, service to the country. So it's a rather obvious fit," he says. "Some people might think it's

a more obvious fit than an investment bank might be . . .

"This university and this office host equally and in the same way a representative from the CIA, the Catholic Relief Service, the military armed forces establishment or the Peace Corps."

Cline echoes Schlesinger on the issue. "[The fact that Georgetown provides the CIA with the most recruits] is a fortunate coincidence," he says. "It's no great philosophical thing at all."

Carey, too, sees no reason to "read any philosophical implication into it." But she has trouble fathoming the notion in the first place. "If students really knew the extent of what the CIA does, I can't see how they'd be attracted to it," she says.

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Administration acknowledges Buckley's death

DE ONLY

By MATTHEW C. QUINN

WASHINGTON

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The State Department said Wednesday it has "sadly ... come to the conclusion" that William Buckley, an American Embassy official kidnapped in Lebanon in 1984, is dead.

Vice President George Bush confirmed for the first time Tuesday night that Buckley had died while being held captive by the Islamic Jihad, the terrorist group that claimed responsibility for his kidnapping. He also said Buckley had been tortured.

"The preponderance of evidence is that he died. We don't have any proof. We don't have the body," said department spokeswoman Phyllis Oakley.

Asked for elaboration on Bush's comments, Oakley read a statement to reporters that said: "Although Mr. Buckley's body has not been recovered, the preponderance of information available to us indicates that Mr. Buckley died in captivity.

"Evaluating all of the information we have received, including conclusions of hostages who were released and the long time which has passed with no information to indicate Mr. Buckley is alive, we have sadly had to come to that conclusion."

Oakley declined comment on the prospects for release of other American hostages held in Lebanon. She noted Church of England envoy Terry Waite, who is in Beirut trying to arrange freedom for Western hostages, is in West Beirut while the U.S. Embassy is in East Beirut and communication is "increasingly difficult."

Oakley said the department does not know where Buckley died or whether he had been tortured or executed. "It's simply that we don't know and we simply must be very careful," she said.

She also declined comment on when the administration reached its conclusion that Buckley was dead.

Buckley was listed as political counselor in the U.S. Embassy in Beirut, but has been identified in published reports as the CIA station chief in Lebanon.

The Islamic Jihad announced Oct. 4, 1985, that he had been executed. It had also been reported that he died in Iran after being tortured.

Robert McFarlane, former White House national security adviser, said in an interview on ABC's "Nightline" program Tuesday night that when he went on his secret trip to Tehran last May with a plane full of U.S. weapons, he expected to win the release of all the American hostages plus the remains of Buckley, indicating recognition that Buckley was dead.

WASHINGTON

FILE ONLY

Vice President George Bush has confirmed that William Buckley, the CIA's station chief in Beirut, Lebanon, was tortured and murdered by his Islamic Jihad kidnappers.

The vice president, speaking to a conference on terrorism Tuesday night about the Iran arms-Contra aid scandal, said Buckley, seized off the streets of Lebanon's anarchic capital March 16, 1984, was murdered.

Bush, the first administration official to confirm Buckley's murder, did not give any further details. Buckley's Islamic Jihad kidnappers announced in October 1985 that Buckley had been killed because he was a CIA agent.

The CIA has never claimed Buckley as one of their own, but it reportedly was his situation -- and that of four other Americans held hostage by pro-Iran extremists -- that at first prompted the administration to pursue its arms-for-hostages deal with Iran.

Bush touched on the frustration felt within the administration over the prolonged detention of the American hostages in Lebanon and the determination to "explore every channel, run down every lead."


He said President Reagan opposes trading arms for hostages but, "At the same time you should know the concern that the president feels, that we all feel, when an American in terrorist hands is tortured, and in the case of William Buckley, killed."

Islamic Jihad claimed Oct. 14, 1985, that Buckley, 56, was "executed" and produced a photograph of what it said was his corpse, but his body was never recovered. He reportedly was tortured.

CIA Director William Casey and Reagan reportedly wanted to get Buckley freed for humanitarian reasons and also because they were fearful that Buckley would reveal critical intelligence information about the region to his torturers.

Bush, on the basic issue of whether arms were indeed traded for hostages, said: "When all the facts are out, the American people can make up their own minds on that key question. But the American people should also know that the president is certain to this very day that he did not authorize arms for hostages."

Continued

 Today, Sen. David Boren, D-Okla., the new chairman of the Senate Intelligence Committee, told the terrorism conference, "I believe the president" when Reagan said arms were sent to Iran only to open the dialogue with "moderates" in the radical Islamic government of Ayatollah Ruhollah Khomeini.

But Reagan was obviously influenced in the overture to Iran by the plight of the American hostages, Boren said.

"We became obsessed with getting the hostages out, so the hostages and the arms became intertwined, even if that were not the object," he said. The defect in the U.S. approach was to treat every hostage incident as a national or international crisis, as horrible as the incidents might be, he said.

Bush, the first member of the administration to admit that "mistakes were made" in the Iran arms deal, acknowledged that "a widespread perception exists that this administration traded arms for hostages, thereby violating our own strong policy of making no concessions to terrorists."

In defense of the administration, Bush insisted the terrorism policy was upheld by intercepting the hijackers of the Italian cruise ship Achille Lauro in October 1985 and retaliating against Libya last April.

"It is therefore with a profound sense of loss that I view this existing perception that we have abandoned our policy of not negotiating with terrorists," he said.

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Bush confirms death of Beirut hostage Buckley

By Paul West
Washington Bureau of The Sun

WASHINGTON — In a speech reaffirming the administration's determination to combat terrorism, Vice President George Bush acknowledged last night that U.S. hostage William Buckley, reportedly the CIA station chief in Beirut, had been tortured and killed by Islamic terrorists in Lebanon.

Mr. Bush's comment was the first direct confirmation by the government that Mr. Buckley, who was kidnapped in 1984, had been killed.

In his address, the vice president said that controversy over the Iran arms deal had given the administration a chance to repair the damaged credibility of its anti-terrorist policy.

He acknowledged the "existing perception that we have abandoned our policy of not negotiating with terrorists."

But, he insisted, the administration's policy "has been, and continues to be, no concessions to terrorists."

Addressing a conference on terrorism sponsored by Time Inc., Mr. Bush said the Iran arms scandal gives the administration "the opportunity to restore the credibility of our policy, give it new meaning and move forward with a renewed commitment in our battle against the terrorist threat."

Mr. Bush, who headed a White House task force on terrorism last year, did not specify how the administration might demonstrate a renewed commitment.

"Let there be no confusion, least of all among would-be terrorists," he told a dinner audience of several thousand at a Washington hotel. "If a terrorist act is committed, we will come after you. And if we find you, we are going to bring you to justice."

The vice president was among a handful of senior administration officials who attended a White House meeting last January in which Mr. Reagan authorized the secret sale of arms to Iran.

A key objective of the arms deal, according to White House docu-

ments, was to help gain the release of Americans being held hostage.

Mr. Bush reiterated that President Reagan "is certain to this very day that he did not authorize arms for hostages" by selling weapons to Iran.

And he said that "when all the facts are out, the American people can make up their own minds" about whether there was an arms-for-hostages deal.

Mr. Buckley's death had been widely reported in news accounts, which began with an Oct. 4, 1985, announcement by the Islamic Jihad terrorist organization that he had been executed.

The vice president's press secretary, Marlin Fitzwater, said Mr. Buckley's death had not previously been acknowledged because his body has not been recovered.

He said Mr. Bush, who used Mr. Buckley's death to illustrate the administration's continuing concern for the safety of U.S. hostages in the Middle East, felt that it had become "generally acknowledged" that Mr. Buckley was dead.

The Reagan administration "will explore every channel, run down every lead. We will go the extra mile to free those American hostages," Mr. Bush said.

He said "there is a very thin line between talking with terrorists and negotiating with terrorists."

But Mr. Bush emphasized that the administration's anti-terrorist policy remains unchanged.

"We do not make concessions to terrorists," he said. "We do not pay ransoms. We do not release prisoners. We do not encourage other countries to give in to terrorists. And we do not agree to other acts that might encourage future terrorism."

Mr. Bush said the United States had made "great progress" in thwarting planned terrorist attacks.

He cited the arrest in Turkey last April of Libyan-supported terrorists allegedly planning to attack the U.S. officers' club in Ankara and the prevention of a planned attack last spring against citizens in a visa line at the U.S. Consulate in Paris.

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NEW YORK TIMES
21 January 1987

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ON PAGE A-5

Bush Says a Hostage Was Killed

Special to The New York Times

WASHINGTON, Jan. 20 — Vice President Bush said tonight that an American kidnapped by terrorists in Lebanon had been killed.

It has been widely assumed that the American, William Buckley, who was thought to be the Central Intelligence Agency station chief in Lebanon, was dead. But Mr. Bush's remarks were the first explicit public acknowledgement by a senior Administration official that he had been killed by his captors. The Vice President did not identify Mr. Buckley as an agent of the C.I.A.

In remarks prepared for delivery tonight at a conference on terrorism, Mr.

Bush was apparently trying to explain some of the motivation behind the shipment of arms to Iran by the Reagan Administration.

He said the President did not intend to send the arms as a trade for American hostages held in Lebanon. But he added, "At the same time you should know the concern that the President feels, that we all feel, when an American in terrorist hands is tortured, and in the case of William Buckley, killed."

Mr. Buckley was kidnapped on a Beirut street on March 16, 1984. At the time and for many months afterward, he was described as a political officer.

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WASHINGTON POST
21 January 1987

Reagan Sure He Didn't Allow Swap for Captives, Bush Says

By David Hothman
Washington Post Staff Writer

Vice President Bush said last night that President Reagan "is certain to this very day that he did not authorize 'arms for hostages'" in his decision to supply U.S. weapons to Iran while seeking to win freedom for Americans captive in Lebanon.

But Bush did not reiterate his own claim, made last month, that the president did not trade arms for hostages.

In an address here to an international conference on terrorism, Bush attempted to restate the administration's antiterrorism policy, which has been badly damaged by the decision to sell weapons to Iran,

a nation listed by the United States as sponsoring terrorism.

The arms sales have also become a political liability for the vice president, who chaired a terrorism task force last year and is launching his 1988 presidential campaign.

Bush, who participated in some key meetings on the arms deals but was left out of others, acknowledged again last night that "a widespread perception certainly exists that this administration traded arms for hostages, thereby violating our own strong policy of making no concession to terrorists."

"When all the facts are out, the American people can make up their own mind on that key question," he said. Bush did not offer his own view on this question but said, "we must reaffirm our policy with a better understanding that there is a very thin and delicate line between talking with terrorists and negotiating with terrorists."

Referring to the efforts of Anglican church envoy Terry Waite, Bush said that "searching for ways to communicate with hostage-takers can be a ghostly business."

The question of whether an arms-for-hostages trade was under-

taken has been central to the unfolding disclosures about the Iran arms deals. Reagan said in his early speeches on the controversy that the United States did not make such a trade. Aides have said he continues to hold this view because the weapons did not go directly to the hostages' captors.

In a memorandum dated Jan. 17, 1986, Vice Adm. John M. Poindexter, then the president's national security adviser, concluded that the approach to Iran "may well be our only way to achieve the release of the Americans held in Beirut." Reagan was briefed orally on the contents of this memorandum, with Bush and White House chief of staff Donald T. Regan present, according to a notation Poindexter made on the memo. The document also described an Israeli proposal to attempt to bring to power "a more moderate government" in Iran.

In his remarks last night, Bush recalled the interception of the Achille Lauro hijackers in October 1985 and the U.S. bombing raid on Libya last April and said: "It is . . . with a profound sense of loss that I view this existing perception that we have abandoned our policy of not negotiating with terrorists." He added that the administration "must reaffirm our policy" and said, "Out of adversity comes opportunity."

"And we now have the opportunity to restore the credibility of our policy, give it new meaning, and move forward with a renewed commitment in our battle against the terrorist threat," Bush added.

"We do not make concessions to terrorists. We do not pay ransoms. We do not release prisoners. We do not encourage other countries to give in to terrorists. And we do not agree to other acts that might encourage future terrorism," he said.

Bush, reviewing the recommendations of the terrorism task force, which issued a report last February,

said "we have made great progress in thwarting potential terrorist attacks."

He said "it is critical that would-be terrorists know that their actions will result in retribution" but added that "military solutions can never be our first choice." Prior to the April 15 Libya attack, the administration had been embroiled in a long-running internal debate over the wisdom of using military force against terrorists, a debate that remains unsettled.

"We have to stand up to terrorism, and we have to keep standing up until we stop it," Bush said. "That's why our policy has been, and continues to be, no concessions to terrorists."

In a December interview, Bush said he was "convinced" that the United States was not trading arms for hostages in the Iran dealings. However, since then evidence has emerged that such a trade was part of the Iran policy. Bush did not repeat the contention last night.

An aide to the vice president said Bush delivered the speech out of a conviction that Americans want the administration to "move forward" against terrorism despite the Iran scandal.

In other remarks, Bush said that William Buckley, identified in published reports as CIA station chief in Beirut, was tortured and killed by his captors. It was the first public confirmation of Buckley's death, although Bush did not say where he got his information or give details.

Bush's spokesman, Marlin Fitzwater, said the comment on Buckley's death "reflects an acceptance of the situation as we know it." He noted that Buckley's body has never been recovered. "The vice president feels there is enough information now to acknowledge" Buckley's death, he said.

The Washington Post reported in November that Buckley, a terrorism expert who was kidnaped March 16, 1984, died in Beirut, apparently in June 1985. His kidnapers first declared him dead later that year.

Bush is to travel today to Canada for a meeting with Prime Minister Mulroney. Bush will discuss acid rain and trade issues.

Vice President confirms Buckley was tortured and killed

By Bill Gertz
THE WASHINGTON TIMES

Vice President George Bush last night confirmed for the first time that a U.S. Embassy official taken hostage in Beirut in 1984 had been tortured and killed.

He also reaffirmed the Reagan administration's anti-terrorism policy and said the United States was prepared to "go the extra mile" to free other Americans held hostage in Lebanon.

In doing so, Mr. Bush told a meeting of some 700 counter-terrorism and security experts, "you should know the concern the president feels, that we all feel, when an American in terrorist hands is tortured and, in the case of William Buckley, killed."

Mr. Buckley, reportedly the CIA's top Middle East counterterrorist expert, was kidnapped by pro-Iranian Shi'ite terrorists. According to published accounts, he was tortured by his captors and may have revealed the identities of some CIA personnel involved in counterterrorist activities.

Intelligence sources said the agency erred in sending Mr. Buckley to Lebanon since his cover had been blown and his identity had been revealed to pro-terrorist forces in the Middle East.

Islamic Jihad, the group claiming responsibility for kidnapping Mr. Buckley, announced on Oct. 4, 1985, that he had been executed.

The organization released a photo it said showed Mr. Buckley's body but the corpse was not found and his

death was not confirmed by U.S. officials.

Mr. Bush also sought to clarify the administration's initiative to what he called certain factions in Iran, and to respond to criticism that President Reagan had compromised principles by secretly selling arms to Tehran in a deal to secure freedom for American hostages.

Three Americans were released from Lebanon following U.S. air shipments of TOW anti-tank missiles and spare parts for Iran's U.S.-made anti-aircraft batteries.

"... A widespread perception exists that this administration traded arms for hostages, thereby violating our own strong policy of making no concessions to terrorists," Mr. Bush told a conference on "Terrorism in a Technological World."

"But the American people should also know that the president is certain to this day that he did not authorize 'arms for hostages.'"

Mr. Bush, who headed a presidential task force on terrorism in 1985-86, said U.S. policy remains firm: "We do not make concessions to terrorists. We do not pay ransoms."

"I believe we must reaffirm our policy with a better understanding that there is a very thin and delicate line between talking with terrorists and negotiating with terrorists," he said.

"Out of adversity comes opportunity and we now have the opportunity to restore the credibility of our policy, give it new meaning and move forward with renewed commitment in our battle against the terrorist threat."

ASSOCIATED PRESS
20 January 1987



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Bush Confirms Death Of Hostage William Buckley

By BRYAN BRUMLEY, Associated Press Writer

FILE ONLY

WASHINGTON

Vice President George Bush, confirming for the first time the death of hostage William Buckley, said Tuesday night the U.S. embassy official kidnapped in Beirut in 1984 had been tortured and killed.

And, the vice president said the administration will "go the extra mile" to see that the remaining hostages are freed.

Buckley, identified in published reports as the head of the CIA station in Beirut when he was kidnapped on March 16, 1984, has been believed dead since the Islamic Jihad terrorist organization announced on Oct. 4, 1985, that it had executed him.

Islamic Jihad released a photo it says showed Buckley's body, but the corpse has never been found and U.S. officials had not confirmed his death. Buckley apparently died in June 1985.

Bush, in a speech delivered at a terrorism conference in Washington Tuesday night, did not specify which government agency Buckley worked for, did not say how he was sure that Buckley was dead, and did not give any details of his death. The vice president did not deviate from the prepared text released earlier and did not speak with reporters following the address.

The vice president, referring to the sale of U.S. anti-tank and anti-aircraft missile arms to Iran in 1985 and 1986, said that "the American people should know that the president is certain to this very day that he did not authorize 'arms for hostages.'" "At the same time you should know the concern that the president feels when an American in terrorist hands is tortured, and in the case of William Buckley, killed," Bush said.

Marlin Fitzwater, the vice president's press secretary, said the statement on Buckley's death "reflects an acceptance of the situation as we know it. The problem is Mr. Buckley's body has not been recovered. It has been difficult to acknowledge his death in the past," he added.

"The vice president feels there is enough evidence now to acknowledge it," Fitzwater said. He would not discuss what - if any - new evidence had been uncovered.

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In its fight against terrorism, Bush said, the administration would press for the extradition of Mohammed Ali Hamadi, a Lebanese arrested in West Germany last week in connection with the killing of U.S. Navy diver Robert D. Stethem by hijackers in June 1985.

"None of us are going to rest until Hamadi is brought to justice," Bush said. Earlier, State Department spokesman Charles Redman said the government had officially requested Hamed's extradition.

Hamadi, 22, is wanted on U.S. charges of air piracy, murder and more than a dozen other crimes in connection with the hijacking of a TWA jet, commandeered between Athens and Rome and forced to land in Beirut.

In Beirut, new hopes were raised for the release of five Americans still held hostage. Anglican Church envoy Terry Waite canceled his flight home to England on Tuesday to stay in Beirut for face-to-face negotiations with representatives of the Islamic Jihad. Waite played an intermediary role in the release of three other American hostages.

To free the Americans, Bush said, the administration "will explore every channel, run down every lead. We will go the extra mile to free those hostages." Bush, who headed a presidential task force on terrorism in 1985-86, drew the distinction between contacting terrorists and bargaining with them, a point that has been made by other administration officials.

"I believe we must reaffirm our policy with a better understanding that there is a very thin and delicate line between talking with terrorists and negotiating with terrorists," Bush said.

"We do not make concessions to terrorists," Bush said, reaffirming a long declared U.S. policy. "We do not pay ransoms. We do not release prisoners. We do not encourage other countries to give in to terrorists. And we do not agree to other acts that might encourage future terrorism." The other Americans still held in Lebanon are:

Terry Anderson, 39, a native of Lorain, Ohio, chief Middle East correspondent for The Associated Press, abducted March 16, 1985.

Thomas Sutherland, 55, of Fort Collins, Colo., acting dean of agriculture at American University, kidnapped June 10, 1985.

Frank Herbert Reed, 53, of Malden, Mass., director of the Lebanese International School in Beirut, kidnapped Sept. 9, 1986.

Joseph Cicippio, 56, of Valley Forge, Pa., acting comptroller of American University, abducted Sept. 12, 1986.

Edward Austin Tracy, 56, of Rutland, Vt., a self-described writer of children's books. The date of his kidnapping is unclear. It was announced Oct. 21, 1986 by a group calling itself Revolutionary Justice Organization.

Islamic Jihad claims to hold Anderson and Sutherland. Revolutionary Justice Organization, another Shiite faction, claims to hold Cicippio and Tracy. Reed is believed held by a pro-Libya faction, the Arab Revolutionary Cells-Omar Moukhtar Forces.

Arms affair: puzzles wrapped in enigmas

By Warren Richey and George D. Moffett III
Staff writers of The Christian Science Monitor

Washington

It has been five weeks since a pro-Syrian Lebanese weekly, Ash Shiraa, broke the news that the United States was secretly shipping arms to Iran.

Since then, the controversy has broadened to include reports that profits from the arms sales were funneled to a secret Swiss bank account to aid rebel groups fighting against Nicaragua's Sandinista government.

In the coming weeks the Justice Department, several congressional committees, and the nation's news media will be seeking answers to a growing list of unanswered questions. Among them:

How much did President Reagan and his senior advisers know about the Iran-contra operation?

Questions persist about when President Reagan knew about and authorized the arms sales. (Related story, Page 10.) Reagan has denied knowing about the diversion of profits from the arms sale to aid the Nicaraguan contras until being told by Attorney General Edwin Meese on Nov. 24. So far no one has directly contradicted the President. But some in Congress say it is unlikely that Mr. Reagan would have been unaware of the funds transfers.

Attorney General Meese says information about the operation was confined to three National Security Council officials: former NSC chiefs Robert C. McFarlane and Vice-Adm. John M. Poindexter and a former staff member, Lt. Col. Oliver L. North.

But questions have been raised about the possible knowledge of other top White House officials. Both White House chief of staff Donald Regan and Vice-President George Bush have denied knowledge of the contra connection. But skeptics question whether Mr. Regan, who holds tight control over the operation of the White House staff, could have been ignorant of the activities of subordinates like Admiral Poindexter, Colonel North, and Mr. McFarlane.

Meanwhile, Mr. Bush, a former director of the Central Intelligence Agency, has been linked in news reports to a secret contra resupply operation through contacts with a former CIA official who now serves as Bush's principal national-security adviser.

Secretary of State George Shultz, who opposed the Iran arms shipments, says he was only "sporadically" informed of the shipments and knew nothing of the Swiss bank accounts until the story became public two weeks ago.

How much did US intelligence agencies know about the Iran-contra connection?

The CIA arranged air transportation for at least one Israeli arms shipment to Iran in November 1985. After the President signed a "finding" in January 1986 authorizing direct US arms shipments to Iran, the agency acted as middleman, arranging the transfer of US arms from American stockpiles to Israel for transshipment to Iran.

The CIA has admitted handling certain financial aspects of the Iranian arms sales, including collecting funds to reimburse the Pentagon for the initial \$12 million cost of weapons sold to Iran. But questions remain about whether the CIA helped funnel some \$10 million to \$30 million in profits from the sales to a Swiss bank account maintained to fund the Nicaraguan contras.

A reference by Attorney General Meese in a Nov. 25 White House press briefing to "a number of intercepts" concerning the Iran arms deal has stirred speculation that other US intelligence agencies - particularly the National Security Agency, which intercepts and decodes electronic transmissions and signals worldwide - may have known of the Iran-contra arrangement before it became public.

CIA Director William Casey says he learned of the contra connection only after it became public, but he has admitted to hearing "gossip" about secret sources of funding for the contras. News reports say Mr. Casey may have learned of the contra connection from intelligence sources a month before it was publicly disclosed by Meese but apparently failed to inform any senior administration officials.

Casey is said to have learned of the contra connection as a result of analysis conducted at the CIA based on intercepted messages of unknown origin. The messages are said to quote Iranians involved in the US arms deals as saying they had been significantly overcharged for the weapons. It is unclear whether these intercepts were the same ones referred to by Meese on Nov. 25.

What quantity of arms actually reached Iran?

In a televised address to the nation two weeks ago, Reagan said that "everything that we sold [Iran] could be put in one cargo plane and there would be plenty of room left over."

At least four direct shipments from the US and, according to Iran expert Gary Sick of the Ford Foundation, as many as 12 indirect shipments from Israel (sent on behalf of the US as part of the arms-for-hostages deal) have gone to Iran since last fall. US shipments reportedly included over 2,000 TOW antitank missiles and 235 Hawk surface-to-air missiles, plus radar equipment.

Attorney General Meese has estimated the value of the direct shipments at \$12 million. But Mr. Sick estimates that the total value of all arms sent to Iran could range from \$500 million to \$1 billion. Pentagon officials have not specified the quantity of US arms transferred directly to Iran or indirectly through Israel.

Have US laws been violated in the Iran-contra affair?

The Justice Department has applied to a federal court for the appointment of an independent counsel, or special prosecutor, to direct an investigation into whether federal laws have been broken.

Legal experts point to two laws that may have been violated by sending arms to Iran: the Export Administration Act, which prohibits the export or sale of goods to countries, including Iran, that participate in state-sponsored terrorism; and the Arms Export Control Act, which regulates the commercial export of arms. At issue here is whether the President's January 1986 "finding" took precedence over these laws.

Some members of Congress say the President violated the National Security Act of 1947 by not providing "timely" notification of the arms sale to congressional leaders.

Meanwhile, legal experts say using profits from the Iran arms sales to fund the Nicaraguan contras could violate the Boland amendment, which barred US intelligence agencies, including the NSC, from helping the contras wage their war against Nicaragua's Sandinista government. The Boland amendment was in effect from May 1984 to September 1986, when Congress lifted the ban.

Who controlled the Swiss bank accounts?

One CIA bank account, which may have received contributions from Saudi Arabia, was apparently set up to assist Afghan rebels fighting Soviet occupation forces. The CIA has said it was involved in the transfer of funds from the Iran arms shipments but denies involvement in funneling profits from the arms deals to the contras.

In addition, State Department officials have acknowledged that they persuaded the Sultan of the Southeast Asian nation of Brunei to contribute several million dollars to a Swiss bank account to help the contras. It is unclear whether other countries may have contributed to the fund and who managed the account.

Questions have also been raised about an account mentioned by Colonel North in instructions to financier H. Ross Perot. Mr. Perot agreed to provide \$2 million in secret payments in an attempt to help secure the release of American hostages in Lebanon. The plan, allegedly organized by North, never bore fruit.

Reports have also discussed a series of financial transactions and bank accounts controlled by businesses and associates of retired Air Force Maj. Gen. Richard V. Secord. General Secord has been identified as a close associate of NSC staff member North and has been linked to a secret effort to supply the contras through air drops of weapons and ammunition.

The Justice Department has reportedly asked Swiss authorities to assist in an investigation of two bank accounts and three individuals: North, Secord, and Secord's business partner, Albert Hakim.

Who set up and ran the secret contra resupply operation?

Continued

The downing of a transport plane over Nicaragua on Oct. 5 has exposed an elaborate secret air resupply operation staffed by former US intelligence officials and operatives. Investigators are looking into the possibility that the profits from the Iranian arms deals may have been used to fund the supply network. They are also trying to discover whether US officials were directly involved in the supply operation during the time the Boland amendment was in effect.

Both North and Secord have been directly linked to the Iran arms deal and to continued efforts to assist the Nicaraguan contras. Secord has been tied to the supply effort by former crew members involved in secret resupply flights and by records of frequent telephone calls from a "safe house" in El Salvador to Secord's business and home.

North has been identified by Meese as the prime operative in the Iran-contra affair. He is said to have planned and run the shipping of arms to Iran and the funneling of profits from those sales to Central America.

INSIDE WASHINGTON

For Vice President Bush, the big question: how much did he know

By NILES LATHEM

VICE President Bush was briefed "several times" by ousted National Security aide Lt. Col. Oliver North on the status of the administration's arms dealings with Iran, The Post has learned.

But it is unclear whether Bush knew that the profits from the Iranian arms sale were being diverted to the anti-Communist Nicaraguan rebels.

Bush's staff claims the vice president was "stunned" by last week's disclosure of that fact.

Sources said Bush was briefed on Iran arms dealings over the past year by North, who was fired last Tuesday for his role in orchestrating the laundering of Iran arms profits to buy weapons for the contras.

According to National Security Council insiders, Bush — who was heavily involved in administration anti-terrorism policy as well as with private efforts to supply anti-Communist rebels in Nicaragua — was "intimately aware" of many of North's activities that are now under investigation by the Justice Dept.

Bush's national security adviser, Donald Gregg, a former CIA operative, also kept Bush up-to-date on NSC activities and worked closely with North over the past year.

Bush spent Thanksgiving weekend at his home in Kennebunkport, Maine, closeted away from the press — and the scandal — on the advice of his 1988 presidential campaign advisers.

Up until now, the vice president has yet to come out in public to support President Reagan, saying only that he had "no role in it."

But Bush has drawn



GEORGE SHULTZ
The winner



GEORGE BUSH
Question mark.

criticism from Reagan's long-time California advisers for failing to stand up for the President in his hour of crisis and is expected to speak out in support of Reagan shortly.

★★★

Secretary of State George Shultz appears to have come out a winner in a behind-the-scenes battle among Reagan's senior foreign policy advisers over the replacement of NSC adviser John Poindexter.

Only hours after Reagan announced Poindexter's resignation last Tuesday over the Iran arms scandal, every member of Reagan's foreign policy team pushed his own candidate for the NSC post.

Whose candidate Reagan will appoint, probably this week, is seen as crucial to those participating in the backstage lobbying drama because it will be a sure indication of where the foreign policy advisers themselves stand after Reagan rebuilds his team from the Iran fiasco.

Shultz, despite the fact that he has run afoul of First Lady Nancy Reagan and her California pals for distancing himself from the President over the Iran deal, already has defeated a series of conservative candidates, according to insiders.

His cabinet rivals — CIA director William Casey and Defense Secretary Caspar Weinberger

— have been pushing flamboyant Navy Secretary John Lehman and fiery former UN Ambassador Jeane Kirkpatrick.

But White House officials say the leading candidate now appears to be outgoing NATO ambassador David Abshire, who is Shultz's candidate.

White House chief-of-staff Donald Regan's candidate, Foreign Police Review editor William Hyland, is said to be still in the running, but a long shot.

The fact that the embattled Regan, who enjoyed unchallenged authority over presidential appointments, appears to have been unable to get his own NSC candidate the job is seen as a clear sign that Regan's power has been weakened by efforts of Reagan's California cronies to oust him.

FOOTNOTE: Another sign that Regan's star is waning was seen last week in a private Oval Office meeting when the President gave Shultz broad new powers as the administration's foreign policy czar.

Shultz asked the President to call Regan into the room so the imperious chief-of-staff would hear the President's instructions.

The President, who rarely gets himself involved in staff power plays, agreed to Shultz's request — sending a clear message to Regan.

ARTICLE APPEARED
ON PAGE ~~1-A~~BALTIMORE SUN
25 November 1986

British paper says Bush was asked about alleged plots by spy services

By Gilbert A. Lewthwaite
London Bureau of The Sun

LONDON — Vice President George Bush, who was director of the Central Intelligence Agency at the time, secretly flew to London 10 years ago to assure Britain's Labor prime minister, Harold Wilson, that the CIA had no knowledge of any intelligence plot against him, a newspaper reported this week.

Mr. Wilson had become concerned that Britain's MI-5 secret service, dominated by Conservatives, might be trying to undermine him politically, according to *The Sunday Times*.

Mr. Wilson summoned the heads of MI-5, the domestic intelligence service, and MI-6, the overseas espionage service, to challenge them with his suspicions. They acknowledged that there were anti-Labor factions inside their services but assured him that there was no plot.

Unsatisfied, Mr. Wilson then asked Sen. Hubert H. Humphrey, a liberal Democrat from Minnesota, to check on whether the CIA had any knowledge of an intelligence plot against him.

As a result, Mr. Bush flew to London to say there was no U.S. knowledge of such a plot. Mr. Wilson, still suspicious, unsuccessfully tried to establish a royal commission to check into possible intelligence service actions against him.

Now, according to the *Sunday Times*, a former MI-5 agent has detailed a series of intelligence operations, including burglaries, mounted by the service in an effort to determine whether Mr. Wilson and his top aides had any Communist connections.

A court has banned publication of the former agent's book in Britain on the grounds that its author, Peter Wright, was under an oath of confidentiality as a former agent, and that his revelations could damage British national security interests.

The British government is trying to have the book banned in Australia, where Mr. Wright is now proposing to publish it.

The *Sunday Times*, quoting sources in the British government and in Australia, says the damage done to the secret service by the revelation of its domestic political activities is the real reason the government does not want the book pub-

lished.

It has been argued in the Australian court case, which continues this week, that allowing a former agent to publish his memoirs would set a significant precedent. A central allegation in the book is that the late Sir Roger Hollis, a former director-general of MI-5, was a Soviet agent.

But the revelation this week, if true, will bring a new political dimension to a case that has already become a major embarrassment to the British government.

It has triggered a debate in Britain on the public's right to know against the government's right to secrecy.

It has provoked a demand that the now unfettered secret services be placed under parliamentary oversight.

It has spurred the British attorney general to suddenly order a police investigation into earlier alleged leaks by MI-5 officers to an author who also happens to be a Conservative parliamentary candidate.

It has produced the spectacle of the country's top civil servant admitting, under hostile questioning in a Sydney court, that he had been "economical with the truth."

And it has put Prime Minister Margaret Thatcher in the unusual position of being overruled by the speaker of the House of Commons for declining to answer questions about the issue on the grounds that it was before a court.

At the heart of the matter is an autobiography titled "Spy Catcher," by Mr. Wright, 71, a former agent in MI-5 who now lives in Tasmania.

The allegation about Sir Roger Hollis has been made in two books by journalists, but Mr. Wright brings the authority of the insider to his account.

The government already has secured a court order banning the book in Britain on the grounds that its revelations would damage national security and undermine confidence of overseas intelligence agencies in the British operation. The

government also successfully contended that the author, as an MI-5 agent, was under a lifelong vow of confidentiality.

In the Australian court, the government has suddenly dropped the argument that national security would be breached and is relying on

its contention that all employees of the secret services are bound to silence. It fears that allowing Mr. Wright to publish his memoirs — the first by a former British agent — would open the floodgates for others.

The government has had something of a rough ride in the Australian court. Justice Philip Ernest Powell has complained of the government's "serpentine weavings" in shifting the grounds of its argument, and of its legal "mumbo jumbo."

Reports of the case published in Britain suggest that the justice has been less than impressed by Sir Robert Armstrong, Mrs. Thatcher's Cabinet secretary and Britain's most powerful civil servant, who was dispatched to Sydney last week to persuade the justice to ban the book.

Sir Robert, who has been called "the most Olympian of mandarins" by one commentator, no sooner was in court than Justice Powell said he had been "put up" by the government to face questions although "it appears there are matters upon which he is quite incapable of assisting the court."

Sir Robert has been grilled vigorously and vehemently by Malcolm Turnbull, lawyer for the author, Mr. Wright, and his publisher, Heinemann.

"Have you been sent here because of what you don't know?" asked Mr. Turnbull.

He also zeroed in on a letter Sir Robert wrote requesting a pre-publication copy of a 1981 book on MI-5 even though he already had one — a fact he deliberately concealed.

Challenged on whether he had told an untruth in the letter, Sir Robert said he was "being economical with the truth."

The *Independent* newspaper said in an editorial: "This from the man who is chosen by the prime minister to represent her majesty's government in a foreign court. Sir Robert is already well beyond regular civil service retirement age. If Sir Robert retained any self-respect, he would resign from these disagreeable duties."

Sir Robert admitted under questioning that the British government had done nothing to prosecute MI-5 agents who leaked information to authors of previous books on the service.

It was particularly embarrassing for the government that one of those authors, Rupert Allason, who writes under the pen name Nigel West, will be a Conservative candidate in the next general election.

Just 24 hours after Sir Robert's testimony, Sir Michael Havers, the British attorney general, ordered an immediate police investigation into the alleged leaks, which took place at least four years ago. Mr. West's book, "A Matter of Trust," was published in 1982.

At another point, Sir Robert refused even to acknowledge the existence of MI-6, the sister agency to MI-5. MI-5 handles internal security in Britain, and MI-6 deals with espionage overseas.

The total lack of disclosure the British government maintains has spurred David Owen and David Steel, joint leaders of the Liberal-Social Democratic alliance, to demand creation of a parliamentary committee to supervise the security services.

"There have been too many spy scandals. Unanswered questions proliferate around Britain's unaccountable intelligence services. This vital reform would let a little fresh air blow into the suffocating closed world of British intelligence," said Mr. Steel, the Liberal leader.

Mrs. Thatcher has adopted the traditional posture of saying as little as possible on security matters. Even when the speaker, Bernard Weatherill, ruled that she could not avoid questions, she gave incomplete answers.

24 November 1986

Reagan's Iran Fiasco

Amateurish diplomacy damages his credibility at home and abroad

This was a Ronald Reagan never before seen on national TV. His jauntiness had turned to strained sarcasm, his easy charm to defensiveness. Yes, he said, it was true: for 18 months, while publicly insisting on an arms embargo for Iran and no concessions to terrorists, his administration had been secretly shipping military hardware to Teheran and pressing officials there to get American hostages out of Lebanon. But the press got it all wrong, he insisted; it was "utterly false" to imply that these dealings amounted to "ransom." Instead, he portrayed the courtship of Iranian moderates as a secret diplomatic initiative meant to bring Iran back into the Western fold, to end its six-year war with Iraq and only incidentally to win freedom for all hostages in Lebanon, U.S. and foreign alike.

But this time the magic didn't work. After a week of growing criticism over the disclosure of the Iranian dealings, the Reagan speech drew his first poll showing outright disbelief and a blitz of criticism from a notably bipartisan bunch of politicians. Reagan loyalists mostly went to ground, and the allies he has been haranguing to hang tough against terrorism and stop selling arms to Iran were caught somewhere between dismay and schoolboy glee at his embarrassment. If the arms shipments weren't ransom, they amounted to another kind of bribery; if Reagan wasn't dealing with terrorists—and he insisted he wasn't—he was wooing their sponsors in the open hope of bringing hostages home. In terms of the president's credibility, it was by far the worst fiasco of the Reagan years. As one of his own people mourned, "Even with the whole story out, it doesn't look good." The only clear winner in the affair seemed to be Iran itself.

Dubious advice: In part, the unaccustomed tide of disbelief reflected Reagan's many fumbles in foreign policy in recent months. As some officials despairingly see it, there is no coherent foreign policy; instead, the Reagan team has resorted increasingly to one-shot, short-term expedients. "Everything is handled day to day, and there is an almost total unwillingness to take the long view," said one experienced hand. In hindsight, Reagan's exchanging of an accused Soviet spy for journalist Nicholas Daniloff seemed a sign that he was all too eager for a summit meeting. When a hasty agreement with Mikhail Gorbachev to scrap all nucle-

ar weapons foundered on Reagan's insistence on pursuing his Star Wars defense, he and his men sought to portray the breakup as the promising beginning of a deal—but they couldn't get straight what they had agreed to and what it would mean. They were caught trying to spread disinformation about their plans for Libya, and caught again with the downing of a plane carrying

supplies for the Nicaraguan contras, along with mercenaries whose links to Washington were all too plain. The Iranian dealings once again showed the president carrying on his own seat-of-the-pants diplomacy, this time with most of his experienced advisers sidelined in dissent and only the gung-ho staffers of the National Security Council on board to give dubious advice.

Reagan's televised explanation proved little help. The first opinion poll, by ABC News, found that no matter what the president said, 56 percent of the sampling believed it was an arms-for-hostages deal and

79 percent disapproved of it. Even if it had been, as Reagan said, an effort to court Iranian moderates, nearly three out of four would turn thumbs down. And in Washington, politicians of all stripes were plainly concluding that Ronald Reagan's Teflon coating was finally wearing thin, though they realized that the president had confounded such expectations in the past. Tellingly, congressional hearings on the case were to start this week—and congressional tempers only worsened when it was disclosed that the CIA was involved in the dealings after all, and that CIA chief William Casey had special dispensation from Reagan to skip telling his oversight committees what was going on. With this embarrassment added to his failure to keep the Senate Republican majority in this month's elections, Reagan's cherished image as an effective leader was suddenly looking shaky.

'Major blunder': Predictably, Democratic politicians were on the attack. The incoming Senate majority leader, Robert Byrd, called the Iran episode a "major foreign-relations blunder"; denying that there had been negotiations with terrorists, he said, was "like saying it's all right to deal with the Mafia boss but not the hit man." What was surprising was the number of Republicans who agreed—and the lack of Republicans who would defend their president. Somewhat lamely, outgoing Majority Leader Robert Dole said the operation had been "well motivated" but "a little inept."

As most U.S. diplomats saw it, the worst damage was to America's credibility with friends and foes alike. But this concern

seemed sharper in Washington than in foreign capitals, where doing one thing and saying another seems more a matter of diplomatic routine. In Paris, *Le Monde* even congratulated Washington on its "mastery." Arab governments were duly outraged at the arms shipments to a common enemy, and Secretary of State George Shultz, national-security adviser John Poindexter and Vice President George Bush were busy soothing their ambassadors. European reaction was divided. Britain's opposition Labor Party spokesman called Reagan's speech "stupefyingly incredible," but Prime Minister Margaret Thatcher, meeting Reagan last Saturday at Camp David, downplayed any reservations over Iran to stress instead her gratitude for his backing of her play against Syrian terrorism by announcing largely symbolic new curbs on U.S. trade with Syria. The French, enmeshed in their own delicate dealing that resulted in the freeing of two hostages from Lebanon last week (page 52), were generally smug that the U.S. embarrassment forestalled any harrumphing from Washington about cash-and-carry diplomacy. And in capitals from Brasilia to

Seoul, arms traders were calculating that the heat from Washington would now be turned down and long-stalled deals with Iran could be activated again.

Worst of all, the episode showed once again that amateurs were in charge of U.S. foreign policy. "They've been lucky for a long time," said David Aaron, an NSC member under Richard Nixon and Jimmy Carter. "But now they've waded into the big leagues and gotten taken twice—by the Russians and by the Iranians. That's very upsetting for our allies, because they know that in the end their security is totally dependent on our competence."

Secret tasks: In part, insiders say, the Iranian dealings can be traced to Reagan's personal concern for the plight of the hostages and their families—and for all his efforts last week to portray that as secondary, his aides made it clear that it was a top priority. But when he chose to move, Reagan followed another instinct: he bypassed the Defense and State bureaucracies to operate largely on his own, through the NSC.

Every president since John Kennedy has turned to the NSC for clandestine operations, and this has usually created frictions with the State Department. In fact, Reagan was initially so determined not to follow the pattern of the Carter administration that he banished his first national-security adviser, Richard V. Allen, to the White House basement. But the temptation to use the NSC on secret tasks, and even for making policy, is almost irresistible. "It's the only piece of government a president's got that's totally responsive to

him," says a former NSC staffer. In addition, Reagan himself likes to go it alone; he believes, says a friend, that "America will save the world, just as John Wayne does. Ronald Reagan's completely comfortable with that." The result is not policymaking but one-shot diplomatic coups, like the impetuous bargaining at Reykjavik or the raid on Libya. And so it was, critics charge, with Iran: the president and chief of staff Donald Regan, laments another White House aide, "care about results more than they care about policy."

Reagan's speech artfully avoided such questions as what part Israel had played in the maneuvering. It dismissed most of the widely reported details as "rumors" and sought to cast the whole affair as an exercise in high statecraft. It was clear that Shultz and Defense Secretary Caspar Weinberger had objected to the negotiations as too risky, a betrayal of principle and a threat to both Reagan's authority and the nation's credibility. Reagan chose to go along with Regan and Poindexter in a scheme so secret that Shultz himself, according to a State Department spokesman, was only "sporadically informed on some details." Staffers at the State Department are furious over Shultz's treatment and the NSC's policy ascendancy; former Under Secretary Lawrence Eagleburger calls the two-faced policy "monumentally unprofessional" and warns, "Neither our allies nor our enemies will be able to rely on what we say."

Defensive weapons: Reagan didn't say which faction in Iran he was dealing with. By most accounts, he was trying to bolster the prospects of the Parliament speaker, Hojatolislam Akbar Rafsanjani, who is said to favor improved relations with Iran's neighbors even if it slows the exporting of the Islamic revolution. But when the story of the negotiations was leaked to a pro-Syrian magazine in Lebanon by supporters of Ayatollah Ruhollah Khomeini's nominated successor, Ayatollah Hussein Ali Montazeri, it was Rafsanjani himself—per-

haps as a defensive ploy—who denounced Reagan and derided his special ambassador, Robert McFarlane. McFarlane last week disputed the colorful details of Rafsanjani's account: he didn't carry an autographed Bible or a key-shaped cake to Teheran, he said, and he wasn't put under arrest; the whole diplomatic visit was conventional, prearranged and productive.

In Reagan's telling, the arms actually sent to Iran were a mere handful of defensive weapons—not more than a planeload in all, certainly not enough to influence the outcome of the war. But reports persisted that there had been other shipments, routed through Israel with Washington's covert blessing, perhaps as early as 1982. After two such shipments in September 1985, hostage Benjamin Weir was released. Reagan formally approved shipments from the United States last spring. The Rev. Lawrence Jenco, a Roman Catholic missionary, and David Jacobsen, a hospital administrator, were freed after several more arms

loads were received. But in each case, administration sources said, the negotiators hoped for more hostages than they actually got. The Iranians maintained they could only influence the terrorists in Lebanon, not give them orders, and couldn't prevent the price from escalating.

Were the Iranians dealing in good faith? McFarlane, a cool and seasoned diplomat whose involvement in the dealings was one of the few encouraging signs many of his colleagues saw in the whole affair, maintained that "we are not dealing with an extortion situation here." But the secondhand nature of the bargaining foreclosed a clean deal (all the hostages in exchange for one shipment) and was an open invitation to string out the releases. What's more, there was no net gain for Washington: though three hostages had been freed, three more were taken. Administration officials maintained that the primary terrorist groups, Islamic Jihad and Hizbullah, were influenced by the Iranian moderates and were restraining themselves. But

in a briefing last week, a senior administration official acknowledged that the Revolutionary Justice group, which is thought to have kidnapped the last three American hostages, is influenced by Mehdi Hashemi, a relative of Montazeri, and that "our view is that Hashemi was probably involved in the taking of the last three hostages."

'Mere lies': In the end, by one means and another, Iran seems to be winning most of its major objectives. It has had arms shipments from Washington, and further arms deals with other suppliers will now be much harder for Reagan to discourage. The French have expelled Iranian dissidents from Paris and agreed to pay \$330 million in Iranian claims, while the United States is negotiating the return of \$485 million in frozen Iranian funds. And Iran continues to make demands. President Hojatolislam Ali Khamenei, who is said to be one of the moderates, last week coolly dismissed Reagan's account of the 18-month negotiations as "mere lies," and said there would be no compromise until Washington changed its Mideast policy.

That could well happen, but not through any consistent foreign policy. In truth, there is none. The lesson of the secret talks with Iran, says Simon Serfaty, a well-wired academic at Johns Hopkins School of Advanced International Studies, "is not just that we do not have coherent policies. The problem is that right now we do not even have a coherent process for formulating those policies." And given the number of potential disasters waiting to happen—from the Philippines to Egypt, from South Africa to Mexico—that is a fact to give any friend of America cause for dismay.

LARRY MARTZ with MARGARET GARRARD
WARNER, JOHN BARRY, ROBERT B. CULLEN
and DAVID NEWELL in Washington
and bureau reports

Continued

2 RELEASED
A14NEW YORK TIMES
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British Name Iran-U.S. Go-Between

By JOSEPH LELYVELD

Special to The New York Times

LONDON, Nov. 19 — A British television documentary, scheduled to be broadcast here Thursday, will name an Iranian businessman as a likely go-between in the secret diplomacy between the Reagan Administration and the Teheran authorities early this year.

The businessman, Cyrus Hashemi, died suddenly in a private London hospital in July of what was diagnosed as a rare form of cancer.

At the time of his death, his brother here suggested that Mr. Hashemi might have been killed because of his role as a Justice Department informant in a case of illegal arms smuggling to Iran. The smuggling case resulted in the indictment in New York of an Israeli general and nine others accused of being co-conspirators.

The Thames Television documentary, which was shown in a preview here today, bases its contention that Mr. Hashemi was functioning as an Administration intermediary on sources it does not identify and on an interview with Elliott L. Richardson, the former Attorney General who is described as having acted as Mr. Hashemi's lawyer.

C.I.A. Contact Reported

Speaking to viewers at the preview, the reporter responsible for the program, Julian Manyon, quoted Mr. Richardson as having said that he had referred Mr. Hashemi to a contact in the Central Intelligence Agency early this year. According to the reporter, it was not Mr. Richardson but the unidentified sources who confirmed that Mr. Hashemi went to work for the agency.

Earlier this month, while attending a conference in Peking, Mr. Richardson said he had arranged contact between Mr. Hashemi and American officials in an effort to win freedom for the hostages in Lebanon. But he denied any connection to the secret American arms deliveries to Iran.

The thesis of the television documentary is that Mr. Hashemi was involved both in an arms deal the Administration did not authorize — the one that produced the indictments — and in setting up the negotiations that led to the arms shipments that were secretly authorized for Iran. The program asserts that he played a similar intermediary's role in the secret negotiations that preceded the release in 1981 of the hostages held at the American Embassy in Teheran.

Quoting a Justice Department tape of a bugged conversation between Mr. Hashemi and an American lawyer named Samuel Evans, who was also indicted on the illegal arms traffic charges, the program reports that the arms dealers learned late last year that the Administration was changing its line on arms sales to Iran. In the conversation as it is represented on the program, the lawyer says he has heard that Vice President Bush approved the change but that Secretary of State George P. Shultz opposed it. The conversation is said to have been recorded last December.

The source Mr. Evans cites for this information was a reputed arms dealer in the south of France named Jean de la Rocque, also known as Rousseau, who was later named as a co-conspirator with him. Mr. Manyon said he had talked to Mr. de la Rocque, who had confirmed the lawyer's account.

Mr. Evans, the Thames TV program will point out, is a lawyer for Adnan Khashoggi, a Saudi businessman and arms dealer. Mr. Khashoggi was reported by The Observer last Sunday in a vaguely attributed article to have met with high Israeli officials to arrange the arms shipments to Iran.

Meanwhile, Britain's Ministry of Defense confirmed reports that an official Iranian delegation visited London for talks with International Military Sales, a state-owned company that handles

British arms exports. The Iranians were said to be seeking spare parts under contracts that were signed in the 1970's before the fall of the Shah.

Since December 1984, Britain has enforced what the Foreign Office describes as a restrictive policy on sales of military equipment to Iran. It has never banned all such sales, but it has turned down applications for equipment that could be described as "lethal" or that could be said to have a bearing on the balance of power between Iran and Iraq, enemies in the nearly six-year-old Persian Gulf war.

Timothy Renton, a junior minister in the Foreign Office, answered opposition charges that the Government of Prime Minister Margaret Thatcher was as compromised on arms deals with Iran as the Administration was by saying the licenses turned down would have been worth hundreds of millions of pounds to British companies.

Tank Spare Parts Shipped

Nevertheless, about five months after the restrictive policy went into effect, several planeloads of spare parts for Chieftain tanks and Scorpion armored vehicles were flown from Heathrow Airport to Teheran. A Foreign Office official explained that these parts were unrelated to the weapons systems of the tanks or armored cars; requests for spare weapons parts were turned down, the official said.

WASHINGTON TIMES
17 November 1986

Reagan to make second

STAT 'damage-control' TV appearance

By Jeremiah O'Leary
THE WASHINGTON TIMES

President Reagan, his Teflon shield nicked by revelations of secret U.S. arms shipments to Iran, will face a national television audience again this week in an effort to bolster his credibility and that of his senior advisers.

The Iran affair, which Mr. Reagan first addressed publicly in a televised speech last Thursday, has preoccupied the administration for weeks. Administration officials say it is too early to tell whether the president's Iran strategy will pay off or prove to be an embarrassing blunder.

But there is certainty that Mr. Reagan and his senior advisers will be put under intense scrutiny, beginning in a Wednesday evening press conference, over the decision to sell arms to Iran — a nation the United States still accuses of fostering terrorism.

The solidly Democratic Congress is unlikely to lend a sympathetic ear when the White House sends a representative to the House and Senate intelligence committees to defend the Iranian venture.

Mr. Reagan is expected to claim executive privilege and protect National Security Adviser John Poindexter and other National Security Council aides from testifying under oath.

CIA Director William Casey, who must answer to Congress, is likely to take the greatest heat.

Looking further down the road, there is speculation that the Iranian negotiations could result in the resignation of some Reagan administration officials who opposed the president's policy decision and played no part in carrying out what became an NSC-CIA operation.

On the political front, the Iranian affair has done damage to the presidential aspirations of Vice President George Bush and other Republican candidates in the 1988 election. Mr. Bush in particular has the choice of disassociating himself from Mr. Reagan's policy decision or of being forced to defend it.

Unless unfolding events prove that Mr. Reagan's overtures to Iranian moderates were successful in ending the 6-year-old Iran-Iraq war and state-sponsored terrorism in Tehran, the Democrats are likely to try to keep the issue alive to bludgeon the Republicans for the next two years.

The international implications of Mr. Reagan's gamble are enormous. Secretary of State George P. Shultz, who stops just short of saying that he opposed the policy decision and acknowledges that he had only fragmentary knowledge of it, is in an almost untenable position.

Although Mr. Reagan has acknowledged the Iranian contacts,

Mr. Shultz must continue to declare to other nations that the United States does not negotiate with terrorists and maintains an arms embargo on both sides in the Iran-Iraq war.

It is impossible to know the extent of damage to American relations with its Arab friends who fear the

Iranians more, if possible, than they fear Israel.

On the domestic front, White House Chief of Staff Donald Regan told reporters last week that congressional leaders were not informed of the Iranian contacts because Attorney General Edwin Meese III assured the White House there was no need to notify them.

Mr. Poindexter said the adminis-

tration knew there was a risk that the operation would be exposed. "If you are unwilling to take risks, you seldom make any progress on some of these very difficult issues. We knew there would be questions raised as to whether this was a good idea or not but on balance the president decided to go ahead with it."

He said the four-day mission to Iran by former National Security Adviser Robert C. McFarlane was racing the clock on the entire set of issues including the fate of the hos-

tages, the Iran-Iraq war and the possibility that the 86-year-old Ayatollah Ruhollah Khomeini would pass from the scene.

The president and his men have said the United States did nothing to benefit Hezbollah or Islamic Jihad, the captors of the American hostages. They say the shipment of the equivalent of one planeload of military spare parts and anti-aircraft weaponry was a "judgment call," designed to assure "our interlocutors" in Iran they were really dealing with the president himself.

The chief argument of those who oppose Mr. Reagan's initiative is that

it created the impression that all terrorists have to do to obtain arms from the United States is seize more American hostages.

Unanswered questions abound. None of the pronouncements of Mr. Reagan or his aides, now engaged in a massive "damage control" operation with the media, have stated who convinced the president to approve the deal.

No official will discuss whether the United States condoned Israeli arms shipments to Iran. No official has publicly named the Iranian moderates with whom Mr. McFarlane met. The only explanation of why the Joint Chiefs of Staff were left out of the decision is that it involved an intelligence operation, not a military one.

Mr. Reagan has been a popular chief executive and few would deny that he also has been a very lucky one.

He may still pull the Iranian affair out of the fire. But in 1980, it was Iran that sank President Carter's political future. It is Iran that now has Mr. Reagan in a near-desperate defense of his gamble.

President Reportedly Had CIA Avoid Usual Channels

4
STAT
By MICHAEL WINES and JAMES GERSTENZANG,
Times Staff Writers

WASHINGTON—President Reagan, relying on a controversial provision in the intelligence laws, signed a directive almost a year ago ordering the Central Intelligence Agency to join in the secret weapons-for-hostages negotiations with Iran and to conceal its activities from Congress, a government official familiar with the operation said Friday.

The directive cloaked an extensive CIA role in the operation, including supplying the National Security Council with intelligence data and logistical support for the venture, and probably planning and cover for secret weapons shipments as well, the official said. In addition, White House spokesman Larry Speakes said Friday that the CIA was represented at each of the secret negotiating sessions between U.S. envoys and Iranian leaders held in Europe and Tehran.

Reagan's unusual order, and the CIA's subsequent activities, reflect the fact that the Iran operation was carefully constructed in two respects. It was at the limits of legal restrictions on such activities, in the Administration's view, and it by-passed completely the channels normally used for planning and carrying out even clandestine foreign policy and intelligence activities.

Yet this approach—reinforced by the operating style of national security adviser John M. Poindexter and by the evolving role of the National Security Council in such activities—shaped the operation in ways that have ultimately eroded the credibility of Reagan's public

campaign against terrorists and created severe problems for the Administration with Congress, U.S. allies and others.

The White House thinking, said one congressional official, was that "This is extraordinarily sensitive. Nobody can know about it. We can't trust the State Department." But that official and others said the Iran project's extreme secrecy shielded it from the expert scrutiny routinely given other major policy initiatives—a process of analysis that might have led to changes or even scrubbing of the venture.

And when the secret was revealed to the President's shocked political backers this week, the White House was bereft of the support it normally can summon from those taken into its confidence.

"There is a tremendous amount of unhappiness among the President's personal constituents," one Administration official said. "And his constituents on Capitol Hill are almost unanimous in registering their dismay."

So tightly wrapped was the affair that no more than five or six White House officials—the President, Poindexter, his aide Marine Lt. Col. Oliver L. North and three persons in North's office—had direct knowledge of its operational details, officials say.

In the case of the CIA, Reagan's unusual order—and the CIA's later activities—have yet to be fully explained to congressional leaders, who were told about the Iran operation for the first time in a White House briefing on Wednesday. In that briefing, Administration officials suggested CIA involvement had been marginal at most.

"If those things are true," said Senate Intelligence Committee spokesman David Holliday in reac-

tion to Speakes' comment Friday about CIA involvement, "that's contrary to what we were told (earlier)."

With even most of the National Security Council staff excluded, the only people reliable enough to plan and support the project, White House planners apparently concluded, were at the CIA.

It was a decision which now appears likely to produce the most telling political damage in the wake of this week's revelations, for the CIA is subject to special scrutiny by Congress. And the President—acting on the advice of Atty. Gen. Edwin Meese III, Meese himself said Thursday—decided early in the operation that Congress would not be told of the venture for fear that it would be leaked.

A welter of federal laws, many stemming from the CIA abuses of the Watergate era, require agency officials to inform Congress in advance of any intelligence-agency operations in a foreign nation beyond normal information-gathering duties.

The key legal issue is likely to be a complex question of whether or not the White House met the law's demand for "timely" notification of at least some congressional leaders.

The White House contended privately on Thursday that its actions were perfectly legal. And Senate Intelligence Committee chairman Dave Durenberger, who has expressed concern at not being told of the operation, said Thursday that he believes the White House's secrecy bends the spirit of the law, but probably not its letter.

The National Security Council "structured their mission" in such a way as to avoid having to notify Congress, Durenberger said. He added that he had warned the Administration in a 1985 speech that its penchant for secrecy would "blow up in your face."

"But they live in fear of revelations," he said.

On Friday, a specialist on the CIA and former aide to both the House and Senate intelligence committees called Reagan's decision to withhold notification an "unambiguous" violation of a 1980 law, commonly called the Intelligence Oversight Act, strengthening Congress's power to review CIA and other intelligence-agency operations.

The law in question amends the 1947 National Security Act, the granddaddy of intelligence laws and the charter of the National Security Council. Among other points, it mandates that the intelligence panels be "fully and currently" told of CIA actions, including "significant anticipated activities." Such activities are specifically defined in another law to include covert foreign-nation actions certified by the President as in the national interest.

A clause in the amendment allows the White House to constrict that notification—under "extraordinary circumstances affecting the vital interests of the United States"—from the intelligence committees to a group dubbed the "Gang of Eight." The members are the four GOP and Democratic congressional leaders and the chairmen and vice-chairmen of the two intelligence panels.

That reporting requirement is ironclad, contended University of Georgia professor Loch Johnson, who worked until 1979 as aide to the late Senate Intelligence panel chairman Frank Church (D-Idaho) and then to former House committee member Les Aspin (D-Wisc.).

"I defy anyone who knows basic English to take the law out and read it and tell me otherwise," he said. "It requires prior notification. Even in so-called times of emergency, the prior notification has to come to the Gang of Eight."

But a senior White House official speaking to reporters on background Thursday evening, cited yet another clause in the law. That clause, dubbed the "timely notice" paragraph, requires that the intelligence panels be told of covert actions in "timely fashion" if not notified in advance as the law seems to require.

"Timely fashion" has never been defined. Prof. Johnson contends that it traditionally has been judged to be 24 hours; the White House official contended it extends to the summer of 1985, when the operation began.

"The President's judgment as to what's timely," he said. "The reasons (for not notifying Congress) were because of the sensitivity of the operation and the safety of the hostages."

Said a Senate Intelligence Committee aide on Friday: "The members of the committee probably do not believe 18 months is timely fashion."

Under Poindexter, and his immediate predecessor, Robert C. McFarlane, the National Security Council director has become the center of a small network of action-oriented aides with direct ties to like-minded officials in the Defense Department, State Department and the intelligence community, Administration sources say.

And that tendency has been reinforced by the reporting restrictions Congress placed on the CIA when it is involved in covert operations.

"This is like a little cell within the NSC, a little nucleus within the NSC staff, very close to Poindexter, with lines out to some people in this building (the Pentagon) and to the State Department, who delight in this sort of covert activity," said one Pentagon official.

The official, speaking on the condition of anonymity, was clearly upset over this trend. He put Col. North in this group, and added: "I'd take Ollie North and dump him right over the cliff."

"Starting with [Henry] Kissinger, the national security advisers have moved from being an anonymous, behind-the-scenes coordinator to a small department which frames policy, which directs how operations should be run."

Kissinger, who served as national security adviser and then secretary of state under President Richard M. Nixon, and President Jimmy Carter's national security adviser, Zbigniew Brzezinski "both fashioned themselves as global geopolitical thinkers," this official said. "I don't think Poindexter views himself as a cosmic, global thinker. He's more operations-minded."

"What disturbs me is that the

President can be influenced by a small group of people who don't see themselves as responsible to the Secretary of State and the Secretary of Defense" and who don't give much weight to their views, he said.

Said one senior official of Poindexter, "John is a person whose career has been devoted to getting things done and solving problems. He approaches the job that way, not being ideologically wedded to a policy. There are a lot of things that are politically sensitive—like Iran—that John would be fearless on. And it will cost him. He's not going to be as politically sensitive, or sensitive to public opinion. This means he'll get things done that will go down poorly with the public and Congress."

In the days after the broad outlines of the venture became public, Poindexter led a fierce behind-the-scenes battle to keep its most intimate details from being revealed—a fight in which he initially prevailed over angry protests from White House spokesman Speakes and chief of staff Regan, sources say.

The unusual stealth was part of the very conception of the operation in midsummer of last year, when McFarlane was national security adviser and Poindexter his deputy.

In public explanations this week, White House officials stressed that the first deliberations over the Iran venture included not just the President, McFarlane and Poindexter, but Shultz, Weinberger, Vice President George Bush, Atty. Gen. Meese and other top-level presidential aides.

But as one of those aides told a clutch of reporters in a Thursday autopsy of the operation, "within their bureaucracies, it's (knowledge of the operation) been extremely limited." Just how limited has not become apparent until late this week, when the White House decision to go public about the operation convinced more reluctant officials to talk as well.

Within the State Department, Undersecretary Michael L. Armacost, the department's political affairs czar, may have known. But only the barest hints of the project ever reached the department's assistant secretary for near east affairs, Richard W. Murphy, a Murphy aide said, and Murphy apparently brushed those hints aside.

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Murphy was actively traveling the Mideast, pressing the Reagan Administration's stated policies on terrorism, the Iran-Iraq War and other crucial issues, at the same time the clandestine policy was being drafted and executed.

During the same period, top officials in Murphy's division—unaware of the on-going NSC operation—drafted and sent to higher levels their own proposal for quiet diplomatic openings to Iran, only to have the proposal thrown repeatedly back in their faces, without explanation.

"We could never get it past Shultz," one said, ruefully, last week.

Nowhere was the befuddlement greater than in the White House itself, however, where execution of the plan was carefully limited to Reagan, Regan, Poindexter and the National Security Council's office of political-military affairs, one of 11 NSC subdivisions.

North is one of two deputy directors of that office. But the senior director, Howard J. Teischer, also played an active role in Iranian overtures and, according to one outside observer, may even have accompanied McFarlane and North on the ill-fated trip to Tehran last May.

Teischer, a Middle Eastern expert, gained reputé among reporters this year as a prime source of a spectacular—and apparently deliberately inaccurate—story alleging that the United States was moving toward military action against Libya, a story that later became identified with a Poindexter-approved "disinformation" campaign against Libyan leader Moammar Kadafi.

The four or five NSC offices that normally would have been tapped for advice and information on policy changes were omitted from participation in the Iranian project.

That left the CIA—with all the potential for legal and political problems its use entailed.

Reagan Said to Have Signed Order Seeking Rapprochement With Iran

Sources Say CIA and Others
Are Carrying Out Policy
Issued Earlier This Year

By JOHN WALCOTT

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—President Reagan earlier this year signed a secret presidential directive ordering the U.S. government to seek a rapprochement with Iran, according to current and former U.S. officials who helped plan and execute the policy.

The covert U.S. efforts to carry out the directive are being conducted by officials from the Central Intelligence Agency and other U.S. intelligence services, as well as by a small group of White House aides, these officials assert.

Under the policy the president also approved Israeli shipments of American-made arms to Iran, in part to win the release of hostages held by Iranian sympathizers in Lebanon, the officials said. The covert efforts are continuing despite the fact that some of them have been disclosed in the Mideast and the U.S. press, severely embarrassing the U.S. and taking its allies by surprise.

As the secret diplomacy has been disclosed in bits and pieces, it has sometimes appeared to be an ad hoc operation conducted by only a few people. But officials involved claim that the program emerged from a formal, though secret, shift in U.S. foreign policy emanating from the president's desk and carried out by the full intelligence apparatus at his command.

Secret Policy Raises Questions

The secret policy already has damaged the administration, and it raises questions about whether the White House violated U.S. laws by allowing arms to flow to Iran and by failing to inform Congress at the outset of its covert activities. The U.S. has been caught negotiating with and helping to arm a fervently anti-American regime that has been condemned for supporting terrorism and that Washington has been pressing other countries to isolate.

Since the policy was adopted, three American hostages have been released by terrorists loyal to Iran in Lebanon. But new hostages have been seized and the Iranians have reneged on understanding to free other hostages, while taking the American-made military gear. Last May former national security adviser Robert McFarlane and a current White House aide, Lt. Col. Oliver North, personally ac-

companied a plane load of military equipment to Tehran but got nothing in return.

Mr. Reagan's secret diplomacy is the most stunning shift in U.S. policy toward a hostile nation since the Nixon administration secretly began pursuing a rapprochement with China in 1969. According to the officials who planned and executed it, the covert policy is intended to free American and other hostages in Lebanon, to begin a "strategic dialogue" between the U.S. and Iran, and to head off growing Soviet attempts to gain influence in Iran.

"The U.S. purpose from the beginning was to engender a process that might lead to an improvement in relations with Iran in ways that are compatible with our obligations to others in the region," Mr. McFarlane said yesterday. "Such a process could not proceed without the prior release of the U.S. hostages."

But the covert diplomacy violates both the administration's passionately stated policy of refusing to negotiate with terrorists and Washington's efforts to stanch the flow of arms to Iran. It has damaged U.S. relations with some moderate Arab states and with America's European allies and raised embarrassing questions about the policies and practices of Ronald Reagan's National Security Council.

Hearings Planned

One issue is whether the administration violated a 1980 law designed to ensure congressional oversight of covert intelligence operations. Several congressional committees plan hearings on the secret program. Rep. Dave McCurdy (D., Okla.), a member of the House Intelligence Committee, said yesterday that he didn't recall any administration briefing for the intelligence panel on U.S. activities concerning Iran. "The first time I heard of any of the Iran dealings was when I read it in the press," he said.

Yesterday, nearly a week after an Iranian official disclosed Mr. McFarlane's secret visit to Tehran in May, congressional leaders were hastily called to the White House for a two-hour briefing on what an administration official called "recent developments in U.S.-Iran relations." Sen. Robert Dole (R., Kan.), Sen. Robert Byrd (D., W.Va.), Rep. Jim Wright (D., Texas) and Rep. Richard Cheney (R., Wyo.) attended the meeting, which included Mr. Reagan, Vice President George Bush, Secretary of State George Shultz, Secretary of Defense Caspar Weinberger, Attorney General Edwin Meese, CIA director William Casey, National Security Advisor John Poindexter, and White House Chief of Staff

Donald Regan. But the congressional leaders wouldn't discuss the meeting. "He's (Mr. Dole) been real tight-lipped about it," said Dole spokeswoman Dale Tate.

After the session, Mr. Byrd, who has been critical of the idea of trading arms for hostages and of the administration for circumventing Congress in the operation, said: "My mind has not been changed."

One participant in the secret program concedes that the administration made "an error in judgment" by trying to negotiate the opening of a U.S.-Iranian political dialogue "concurrently with the release of the hostages."

Mr. McFarlane hoped to advance both causes on his May trip to Tehran. But the Iranians took the military hardware on Mr. McFarlane's plane, refused to let him see top Iranian leaders, and said they couldn't arrange the release of American hostages, according to sources who were present during the incident. The Iranians then tried to bid up the price of the hostages by hinting that the Americans might be set free if the U.S. persuaded Kuwait to release 17 convicted terrorists and if Israel withdrew completely from southern Lebanon, the sources said.

The Iranian ambassador to the United Nations, Saeed Rajai-Khorasani, said in New York yesterday that Mr. McFarlane's May visit was "an overture to reestablish talks with Iran" and that it had "nothing to do with the hostages." The envoy confirmed that Iran was receiving U.S.-made weapons but said that "we didn't have any arms deal or any other kind of deal with regard to the release of the hostages with the United States or anyone else."

The ambassador said American weapons were reaching Iran either as part of transactions made directly with arms traders or possibly as fulfillment of previously signed contracts between the U.S. and the late Shah of Iran. But he refused to clarify whether these deliveries reflect recent agreements between the two countries. He suggested however, that if the U.S. were to release vast quantities of spare parts and arms paid for by the previous regime, a "favorable atmosphere" may develop that may facilitate the hostages' release.

The secret U.S. contacts with Iran that led to Mr. McFarlane's May mission began last year, when officials in the National Security Council staff became increasingly frustrated by Syria's inability to win the

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release of the hostages in Lebanon and alarmed by Iran's growing dependence on Soviet-bloc arms, policy participants said.

Although U.S. intelligence on Iran was generally skimpy, White House officials believed the Soviets were undertaking a major military buildup on the Iranian border, partially camouflaged by movements of Soviet troops in and out of neighboring Afghanistan. And, U.S. officials claim, that the KGB, the Soviet intelligence agency, was intensifying its activities within Iran.

The plight of the hostages and growing White House fears about Soviet moves in the region provided the motives for secretly reversing U.S. policy toward Iran. Israel provided an opportunity.

David Kimche, then the Director-General of the Israeli Foreign Ministry, met with Mr. McFarlane in Washington late in the summer of 1985 and stressed the need for improved U.S. relations with Iran. Other participants in the discussions say Mr. Kimche suggested that Mr. McFarlane contact an Iranian named Manucher Ghorbanifar, who he said had "channels" to the Ayatollah Khomeini's designated successor, Ayatollah Hussein Ali Montazeri, and to Iranian Prime Minister Mir Hussein Mousavi.

But Mr. Kimche warned Mr. McFarlane that the Iranians would need some evidence of American good faith and suggested that the U.S. might provide spare parts that Iran needs in its war against Iraq.

When Mr. McFarlane said the U.S. couldn't do that, Mr. Kimche, the sources say, asked if the U.S. would continue to sell arms to Israel if the Israelis shipped some weapons to Iran. Mr. McFarlane, according to this account, said the U.S. wouldn't provide Israel with arms to replace shipments to Iran but added that the U.S. would continue its military support to Israel.

After a meeting with his top national security advisers, including Secretaries Shultz and Weinberger, Mr. Reagan assigned Mr. McFarlane and Lt. Col. North to secretly pursue the effort to open a political dialogue with Iran. Messrs. Shultz and Weinberger approved a political opening to Iran but opposed any arms transfers, according to one official at that White House meeting.

What Was Discussed

The administration's contacts with the Iranians eventually led to a one-hour meeting in London last December between Messrs. McFarlane, Kimche and Ghorbanifar. According to participants, Mr. McFarlane began the meeting by saying he was present on behalf of his government to open a political dialogue with Iranian leaders.

Mr. Ghorbanifar replied that Iranian officials needed signals of U.S. sincerity before they could accept the American initiative, the participants said. But they added that the Iranian never specified what those signals might be, never solicited American arms or spare parts, and never suggested a deal for the hostages in Lebanon.

The participants said Mr. McFarlane "firmly, unequivocally" rejected any deals with the Iranians for the hostages and the meeting broke up with the Iranian agreeing to convey the U.S. interest in opening a "strategic dialogue" to top leaders in Tehran.

Upon his return, Mr. McFarlane recommended that the administration try to do business only with Iranian officials, rather than with intermediaries such as Mr. Ghorbanifar. But Iran sent word that the U.S. should press on through Mr. Ghorbanifar and meetings between U.S. and Iranian officials continued.

Meeting in Tehran

One hostage had been released in September 1985, shortly after the U.S. began trying to improve relations with Iran. Then after a period of no progress, the ice appeared to begin breaking last April. Mr. Poindexter, who succeeded Mr. McFarlane as the president's national security adviser, told Mr. McFarlane that the administration had reached an agreement with Iran to open a political dialogue that in time could lead to freedom for all the remaining hostages in Lebanon. The national security adviser asked his predecessor if he would fly to Iran to initiate the dialogue.

The Iranians recommended that Mr. McFarlane come aboard a plane scheduled to deliver a load of spare parts for the Iranian military from a third country. "It was their suggestion that we pose as arms dealers," one source insists.

Meeting in a Tehran hotel, Mr. McFarlane, according to sources who were present, warned his hosts Iran was vulnerable to Soviet pressure, and suggested that Washington could serve as a mediator to help end the Iran-Iraq war. He also, according to the sources, stressed that the Soviets were stepping up their attacks on the Iranians' brother Moslems in Afghanistan.

The Iranians replied that the U.S. owed a debt to Iran, according to sources who were present. The Iranians cited U.S. arms purchased by the late Shah but never delivered following his overthrow and \$500 million in Iranian assets frozen in the U.S., the sources said. Mr. McFarlane said that there could be no movement on such issues unless Iran freed the hostages in Lebanon.

The mission collapsed when the Iranians kept the military equipment aboard the Boeing 707 jet and declared that getting their allies in Lebanon to free the hostages was "very difficult."

Nevertheless, the administration has pressed on. Even after Iran disclosed the May trip last week, U.S. and Iranian officials were continuing negotiations in Europe about improved relations.

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Meant to Aid Iran Factions, Reagan Says

By David Hoffman
and Walter Pincus
Washington Post Staff Writers

President Reagan told congressional leaders yesterday that the secret operation to ship military equipment and spare parts to Iran began as part of a larger effort to support some dissident factions vying for power in Tehran, administration officials said.

In a White House meeting, the president and top administration officials detailed the origins and subsequent operation of the controversial covert program run by presidential aides that led to the release of some U.S. hostages in Lebanon held by pro-Iranian terrorists.

The operation has provoked angry exchanges within the White House in recent days between chief of staff Donald T. Regan and national security adviser John M. Poindexter over how to explain the president's previously secret actions to Congress and the public, officials said.

On Nov. 6, Regan and Poindexter got into a "shouting match" in front of the president in the Oval Office, with Regan demanding that some details be made public and Poindexter insisting that all be kept secret, officials said. The president initially sided with Poindexter, they added.

Attempting to calm the rising congressional demands for information about the operation, Reagan met for two hours yesterday with Senate Majority Leader Robert J. Dole (R-Kan.), Minority Leader Robert C. Byrd (D-W.Va.), House Majority Leader James C. Wright Jr. (D-Tex.) and Rep. Dick Cheney (R-Wyo.), fourth-ranking member of the House GOP leadership.

Officials said Poindexter told the congressional leaders that arms shipments to Iran, which contradicted a longstanding U.S. policy to isolate Iran and remain neutral in the Iran-Iraq war, were justified in

part to help dissident factions that could assume power after the death of Ayatollah Ruhollah Khomeini.

Officials said the congressional leaders were told that the negotiations for release of the hostages came about as a "byproduct" of the earlier efforts. However, the administration officials reported that the shipment of weapons to Iran became linked to efforts to free the U.S. hostages.

[Poindexter told reporters last night that the United States will pursue its controversial dealings with Iran, United Press International reported. "We are going to continue our policies. We have thought all along that our policy was correct," he said.]

Administration officials acknowledged yesterday they are attempting to shift attention from the arms-for-hostages aspect of the Iran negotiations to the purported larger goal of establishing links to potential Iranian leaders. This was the thrust of the briefing to congressional leaders yesterday.

However, Byrd, who has criticized the administration as undermining U.S. credibility with the Iran operation, said after meeting Reagan yesterday that "my mind has not been changed." A congressional source who received the Poindexter briefing earlier said the administration is "rewriting history" about the Iran operation.

While the Iran operation began as part of a long-running U.S. concern about the future of that strategic nation, officials have said the flow of American military equipment and spare parts to Iran was initiated at the suggestion of Israeli intermediaries in mid-1985 as a way to win freedom for the U.S. hostages. The first shipments were sent just before the release of the Rev. Benjamin Weir in September 1985. Further shipments were made in this year, before two more hostages, the Rev. Lawrence M. Jenco and David P. Jacobsen, were released by the Islamic Jihad.

In each instance, White House officials had expected more hostages to be released, and on several occasions they were disappointed when no one was freed, sources

Administration officials said the congressional leaders have been given several justifications for the president's deciding to contravene secretly his publicly stated policy of not paying ransom for hostages. The United States has labeled Iran an "outlaw" nation that supports terrorism and, led by Secretary of State George P. Shultz, has sought to halt worldwide flows of arms to Iran.

Yesterday, officials said Poindexter and others made a distinction between sending weapons to the captors of the American hostages, the Islamic Jihad group that owes its allegiance to Khomeini, and aiding dissident factions within his government.

"We're not dealing with the captors," said one official familiar with yesterday's meeting. "We have singled out individuals we think can bring about change. They are not the ones who took the hostages"—a reference to the students who held American diplomats in the U.S. Embassy in Tehran in 1979-80.

Reagan was joined yesterday by Vice President Bush, Secretary of Defense Caspar W. Weinberger, Attorney General Edwin Meese III, CIA Director William J. Casey, Shultz, Regan and Poindexter.

Officials said the briefing yesterday was a belated attempt to provide information to congressional leaders after more than a week of criticism that the White House attempted to bypass them.

Other officials had said last week that the Iran operation was conducted by the National Security Council and not the Central Intelligence Agency in order to avoid disclosure to congressional intelligence committees required for CIA operations.

Rep. Lee H. Hamilton (D-Ind.), chairman of the House Permanent Select Committee on Intelligence, announced yesterday that his panel will hold its first hearing on the Iran operation Nov. 21. Poindexter promised last week to brief the Senate Select Committee on Intelligence soon. That panel's vice chair-

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☐ man, Sen. Patrick J. Leahy, (D-Vt.), yesterday demanded full disclosure of the operation and accused the administration of "scrambling to find a reason for what they did."

Administration officials said the Iran operation has created a large credibility problem for the White House, in part because Reagan decided, after it was publicly disclosed, not to give the nation any explanation for the decision to contravene his antiterrorism policy.

Chief of staff Regan and national security adviser Poindexter sharply differed on whether the president should give some details of the Iranian operation to Congress, officials said. The president at first endorsed Poindexter's approach, but was then persuaded to hold yesterday's briefing. Former national security adviser Robert C. McFarlane, who started the program and, after leaving the White House, made a secret trip to Tehran in late May, this week reportedly urged the administration to make public the details of the operation.

The credibility problem was exacerbated by signals from Shultz and Weinberger that they had strongly opposed the arms shipments to Iran, officials said. "We have nobody we can send out to explain this," said one official.

Another problem is that the administration is in the midst of considering sanctions against Syria for its role in the attempted bombing of an El Al airliner on a flight from London this year. British Prime Minister Margaret Thatcher, who broke relations with Syria as a result, is scheduled to visit Reagan at Camp David on Saturday.

The administration also is concerned that it faces a severe credibility problem with other allies and a host of moderate Arab nations, which were pressed repeatedly to isolate Iran while the United States was secretly shipping arms to Tehran through Israel, sources said.

White House spokesman Larry Speakes said yesterday that the administration is "hopeful" that the hostages remaining in the hands of the Islamic Jihad group will be released soon.

REAGAN REAFFIRMS SECRECY ON EFFORT TO FREE HOSTAGES

By GERALD M. BOYD
Special to The New York Times

WASHINGTON, Nov. 10 — President Reagan today affirmed his policy of secrecy about the Administration's efforts to free American hostages in Lebanon, and he rejected Congressional demands that he disclose details of dealings with Iran.

Trying to counter suggestions of a sharp split in the Administration, the White House said the actions toward Iran had the support of Secretary of State George P. Shultz and Defense Secretary Caspar W. Weinberger.

The White House statement emphasized that "no U.S. law has been or will be violated" and that "our policy of not making concessions to terrorists remains intact."

In another development, Mr. Reagan notified Congress that he would extend a 1979 executive order freezing Iranian assets in the United States. The order, which has been extended annually, expired Friday.

McFarlane Defends Shift

In what appeared to be a further attempt to justify contacts with Iran, Robert C. McFarlane, Mr. Reagan's former national security adviser, said it was of "enormous importance" for the United States "to engender a stable relationship with the Iranian Government."

In a four-page statement that did not touch on whether the United States was facilitating arms shipments to Tehran, Mr. McFarlane said secret diplomacy was crucial in preparing for new relationship with Iran if the leadership there was ready for it. It was unclear if the statement, which was inserted into a speech by Mr. McFarlane today in Atlanta, had been coordinated with the White House.

"The United States has vital security interests in the Middle East that are entirely compatible with the security interests in Iran," Mr. McFarlane said today, 10 days after a Beirut publication reported that he had made a secret trip to Iran.

Executive Privilege May Be Cited

The developments came as White House officials said Mr. Reagan might invoke executive privilege if Congress tried to examine secret contacts with Iran to free the hostages in Lebanon.

The officials said the action was one of several that might be taken in the event of a Congressional investigation.

It has been reported in the last week that the United States tried to facilitate the shipment of military spare parts to Iran in return for assistance in gaining the release of the American captives.

White House officials also said today that they were losing hope that an arrangement that led to the recent freeing of one hostage, David P. Jacobsen, might result in the release of others.

The White House spokesman, Larry Speakes, said that "our expectations were not met — our hopes were dashed once again."

Without blaming the press directly, Mr. Speakes said there was "no doubt" that press coverage the last week had been a factor in the inability to free other Americans.

"It obviously has had its impact, yes," he said, adding that it would be impossible to determine the full effect of the press reports until the hostages were released.

Mr. Reagan met today with senior foreign policy and national security advisers in what appeared to be an attempt to quell suggestions that Mr. Shultz and Mr. Weinberger opposed a policy of trading spare parts for the hostages.

"What they decided is that they need a little more time to try to gain the hostages' release, and to wait that time until they talk about it," said a senior Administration official.

Besides Mr. Shultz and Mr. Weinberger, those present included Vice President Bush; Attorney General Edwin Meese 3d; William J. Casey, the Director of Central Intelligence; Donald T. Regan, the White House chief of staff; Vice Adm. John M. Poindexter, the President's national security adviser, and Mr. Poindexter's deputy, Alton G. Keel Jr.

Aides to Mr. Shultz suggested on Saturday that there were deep strains between the Secretary of State and the White House because Mr. Shultz had opposed a covert American mission to Iran and had not been included in dis-

cussions about it. The aides suggested that he was considering resigning, but department spokesmen called such reports speculative.

A statement issued by Mr. Speakes on behalf of Mr. Reagan said the meeting had been prompted by the concern over the remaining hostages and fear that the "spate" of press reports since Mr. Jacobsen's release had put them at risk.

The statement said the officials had also discussed "broad policy concerns in the Middle East and Persian Gulf."

"While the specific decisions discussed at the meeting can not be divulged, the President did ask that it be re-emphasized that no U.S. law has been or will be violated and that our policy of not making concessions to terrorists remains intact," it said.

"The President made it clear to all that he appreciated their support and efforts to gain the release of all the hostages," it went on. "Stressing the fact that the hostages' lives are at stake, the President asked his advisers to insure that their departments refrain from making comments or speculating on these matters."

The statement, suggesting that Mr. Reagan's top aides were all in agreement, said pointedly that "as has been the case in similar meetings with the President and his senior advisers on this matter, there was unanimous support for the President."

Possibility of Investigation

Some legislators have indicated that the Congressional Intelligence committees might investigate whether the National Security Council circumvented restrictions on covert operations.

In sharply worded criticism today, Robert C. Byrd of West Virginia, the Senate Democratic leader, insisted that the White House consult Congress on its dealings with Iran.

"It appears to be very amateurish on the part of the Administration and was a very serious mistake," he said of the reported contact with Iran. "The Administration has seriously damaged its credibility at home and overseas."

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PAGE 1

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Aide to Bush Opened Doors For Guerrilla War Expert

Vice President Got Data on Salvador Rebels

By David Hoffman
Washington Post Staff Writer

It was a typical meeting of the type that Vice President Bush often holds in private: a small group, involving participants with firsthand knowledge of intelligence and global trouble spots. Bush, the former director of central intelligence, often asks for "raw" intelligence material on a subject, the kind of information he could get from Felix Rodriguez.

The meeting was held Jan. 24, 1985, in Bush's office. It included his national security affairs adviser, Donald P. Gregg. Also attending were Lt. Col. Oliver North of the National Security Council and Rodriguez.

Rodriguez, also known as Max Gomez, is a veteran of the Bay of Pigs invasion and an expert in guerrilla warfare known for his long and bitter opposition to Cuban leader Fidel Castro. He was in Washington meeting with American military and intelligence officials. Officials familiar with his visit said he was discussing ways to help El Salvador repulse a leftist guerrilla insurgency.

The meeting grew out of a long friendship with Gregg that has recently figured in a renewed controversy over President Reagan's drive to assist the rebels fighting the Sandinista government of Nicaragua after Congress voted to cut off aid to the rebels, known as contras.

The crash of a C123K cargo plane in Nicaragua Oct. 5 carrying weapons for the contras has reopened questions about how deeply and directly the administration was involved in helping the rebels during that period.

The sole survivor of the crash,

Eugene Hasenfus, has said that Rodriguez was directing the supply mission for the Central Intelligence Agency. The administration has denied any involvement in the supply mission. Three others died in the crash. The flight originated at Ilopango air base in El Salvador.

Reagan and Bush encouraged such private efforts to aid the contras, but the full extent of the administration's contacts with these operations remains unclear.

Bush has said he did not direct or coordinate the effort to aid the contras in violation of the law. Other officials have expressed doubt whether Gregg, a low-key but loquacious CIA veteran, could have played a central role in helping the rebels.

Gregg has been unavailable for comment since the Oct. 5 crash. He is traveling in India and Pakistan as part of a University of California program.

Gregg has told associates that he had frequent contact with Rodriguez, including recent telephone calls. But he has claimed his contacts were on the subject of El Salvador.

Gregg was instrumental in bringing Rodriguez to the attention of U.S. officials, the sources said. He set up appointments in Washington for Rodriguez, including a session with North, who has been the contact at the National Security Council on Central American issues and the contras. Gregg also wrote a letter or message of introduction on behalf of Rodriguez to Salvadoran military officials, who wanted the endorsement before using Rodriguez in planning and carrying out airborne attacks on guerrillas there.

Rodriguez "went down there with the blessings of the people he had met with here," said one high-rank-

ing administration official. Rodriguez specialized in "lightning" airborne assaults on guerrillas, a technique he had used in Vietnam, officials said.

The Salvadoran chief of staff, however, has contradicted statements from Bush and his aides, saying he knew nothing of Rodriguez's role and had not approved any such participation by an American.

The high-ranking administration official speculated that Rodriguez switched his activities from Salvador to the contras at some point in the last two years. "It's the nature of these people," the official said. "It would be like sending a campaign operative to Louisiana, and he turns up in Texas."

Rodriguez had two other contacts with Bush. He met with the vice president again in Washington last May 6, and on May 20 appeared at a reception in Miami for Bush, who had delivered a speech there on Cuban independence day. Bush has said they did not talk about the contras.

Those later meetings were held after Rodriguez reportedly began working with the contra supply operation, but Bush has told associates that he recalls no discussions with Rodriguez about anything other than El Salvador.

Bush recently called Rodriguez a "patriot," and officials said the vice president is not concerned about the questions raised by his contacts with Rodriguez. The officials added that Bush has known Gregg since they served together at the CIA, and the vice president believes it is not necessary to offer any further details about Gregg's activities beyond the statements he has already made.

Bush, considered the front-runner for the 1988 Republican presidential nomination, has said privately that he expects to reap domestic political benefits from the controversy over Rodriguez. Bush said it may help him win over skeptical conservatives who have long regarded him as a symbol of the establishment and who may play a pivotal role in deciding the nomination.

However, the contra issue also has a political downside. Pollsters have warned Bush that Americans remain deeply skeptical of the need for further involvement in the Nicaraguan conflict and that they are motivated by fear of another Vietnam-like engagement. In the past, Reagan strategists have found that every speech by the president on the issue tends to bring out more vocal opposition than support.

Bush got a taste of this recently when protesters showed up at some of his campaign stops, one of them carrying a placard, "Bush World Airways—Gunrunners to the World."

The vice president served as director of central intelligence in the final year of the Ford administration, a period during which the agency was going through a series of congressional investigations. It was there that Bush got to know Gregg, his future national security affairs adviser.

Gregg, 58, was graduated from Williams College in 1951, where he was a philosophy major. He then went into the CIA, where he spent much of the next 25 years overseas in Asia. Gregg served in Rangoon, Tokyo and Vietnam in 1970-72, which is where he may have first met Rodriguez. He served as the agency's station chief in South Korea from 1973 to 1976.

On his return to the United States, Gregg served as liaison to the House Select Intelligence Committee, chaired by Rep. Otis Pike (D-N.Y.), which was conducting an investigation of the agency. Gregg has said the job was one of the most difficult of his life. Like many CIA officials, Gregg felt that morale at the agency reached a nadir in 1975 with the House and Senate investigations and the assassination of CIA station chief Richard Welch in Athens.

When President Carter took office in 1977, Gregg became part of

a small "central staff" of the directorate of operations, the covert side of the agency, in charge of informing Director Stansfield Turner about activities there. Gregg was detailed to the National Security Council staff in 1979, coordinating intelligence and later as a specialist on Asia.

David Aaron, who was deputy national security affairs adviser in the Carter administration, said Gregg was "very insightful and helpful" as liaison between the NSC staff and the CIA. "He had a broad view of policy questions," Aaron recalled. "The problem at the White House isn't that you don't get enough intelligence, it's that you don't get what you want. He was very good" at getting what was needed, Aaron said.

Gregg became Bush's national security affairs adviser in 1982, when another former intelligence official, Daniel Murphy, was the vice president's chief of staff.

Gregg, who has a soft-spoken but loquacious manner, is described by acquaintances as a career intelligence official who believes in moderation. A former colleague called him "level-headed, nonideological." Gregg has referred to the "lunatic right" in a workshop he teaches at Georgetown University on "Force and Diplomacy." He is known to believe that covert intelligence operations are necessary, but only if they are truly covert, unlike the highly publicized U.S. effort to aid the contras.

Gregg has been criticized by some colleagues on Bush's staff for what they describe as an insensitivity to domestic political considerations. For example, they said, Gregg originated the proposal for Bush to visit Syria on a trip to the Mideast last summer, a trip intended to showcase Bush's commitment to Israel. Bush did not go to Syria. Gregg has sometimes criticized

U.S. policy toward Israel as too generous, others said, and has suggested that moderate Arab nations should receive more attention.

Several administration policy makers expressed doubt that Gregg would be involved in such a delicate U.S. operation as helping the contras. Bush has often taken a personal role in national security debates in the administration, aides said. This has put Gregg in a secondary role.

The vice president "is always interested in direct intelligence information from around the world," said Craig L. Fuller, his current chief of staff, who added that Bush prefers small meetings and one-on-one sessions with visiting diplomats and others.

This is how the first session with Rodriguez came about, other officials said. Gregg set up meetings at the State Department, the Defense Department and elsewhere for Rodriguez and made the vice president's office the last stop.

Staff writer Charles R. Babcock contributed to this report.

Bush Aides Assess the Contra Speculation

By GERALD M. BOYD

Special to The New York Times

WASHINGTON, Oct. 21 — Marlin Fitzwater, Vice President Bush's press secretary, still chuckles about the reporter who recently telephoned the Vice President's office, mentioned a man's name, then asked if the man worked for George Bush in Central America.

Mr. Bush, a former Director of Central Intelligence, has denied any involvement in directing a secret supply network for Nicaragua insurgents, known as contras. But speculation persists and, in Mr. Fitzwater's view, "It's reached a ridiculous level."

"Every freelance soldier in the Western Hemisphere says he works for George Bush," he added.

In recent days, the speculation has spread to include questions about whether Donald P. Gregg, Mr. Bush's national security adviser, serves as an Administration link to a rebel supply network. There have also been suggestions that Mr. Bush's son Jeb, the chairman of the Republican Party in Dade County, Florida, has

said all there is to say," Mr. Fitzwater said. Mr. Gregg did not return telephone calls on the subject.

Mr. Fitzwater said Mr. Bush decided to meet the allegations head-on when they arose after a rebel supply plane was downed in Nicaragua two weeks ago and an American survivor, Eugene Hasenfus, was captured.

Mr. Hasenfus, who went on trial in Managua this week, asserted that he was associated with a man he identified as Max Gomez, who he said was an C.I.A. operative who ran supply shipments to the contras from an air base in El Salvador.

Mr. Gomez, whose actual name has been reported as Felix Rodriguez, is a Cuban-American who participated in the Bay of Pigs invasion and worked for the C.I.A. previously in Latin America and in Vietnam. Government officials have said that he is not currently employed by the agency.

Bush Terms Him a 'Patriot'

Mr. Bush entered the picture first when The San Francisco Examiner linked him to Mr. Gomez. The Vice President subsequently acknowledged at a news conference in Charleston, S.C., that he knew Mr. Gomez, having met with him several times. He termed him a "patriot."

Beyond that, Mr. Fitzwater confirmed that Mr. Gomez had been recommended for a job as a counter-insurgency specialist in the Salvadoran Air Force by Mr. Gregg, who worked at the C.I.A. as an operations officer from 1951 to 1979.

Mr. Bush denied "unequivocally" at the Charleston news conference that his office was running an operation to supply the contras and said that the only discussions he had had with Mr. Gomez were on other matters.

Giving Freedom a Chance

"The only discussions I have ever had with Felix relate to El Salvador," Mr. Bush said. "Now, if you want to ask am I glad that people are supporting the contras, yes. That's our policy, and we feel strongly that freedom should have a chance and democracy should have a chance."

Mr. Bush added: "For somebody to write as a nameless source that I was running an operation in Nicaragua is just flat untrue. And I'd like to encourage people to get those nameless sources out so we could have a

chance to take a test as to who's telling the truth on this matter."

But Mr. Bush acknowledged that he was in a "Catch-22" situation, because "I want to see support for the contras."

In Mr. Fitzwater's opinion, the allegations are not damaging to the Vice President, because he met them by responding "quickly, honestly and on the record" and because they are groundless.

"The implication that the Vice President is directing and coordinating any kind operation is just not true and it's clear to everyone who has looked into it," he said.

Mr. Fitzwater also said that the only time Mr. Bush had met with leaders of the contras was when they visited the White House in March as part of the Administration's successful push to secure \$100 million in military and nonlethal assistance for the rebels.

What has been particularly disturbing, aides to Mr. Bush say, are more

recent reports that suggest that Jeb Bush might have been involved in efforts to supply arms to the contras. That assertion came last weekend in a CBS News report, which the younger Bush disputed.

Jeb Bush, 33, acknowledged in a telephone interview that he had participated in a number of programs conducted by Spanish-language radio stations in Miami to raise funds for the rebels. But he said the money generated was for nonlethal assistance.

"What I have done is a far cry from being part of an arms supply link to the contras," he said.

Although Administration officials outside the Vice President's office have generally left it up to Mr. Bush's staff to fend off the charges, some have suggested that they are being circulated as part of an attempt to undermine

President Reagan's Central American policy.

It has also been speculated in the White House that Mr. Bush's own staff leaked suggestions about the Vice President's ties to the contras in hopes of bolstering his standing with the conservative right, which backs the guerrillas. Mr. Fitzwater and other staffers deny such duplicity.

A Button: 'Who Is Max Gomez?'

"It's a paradox, we've got people saying we put the story out and people saying that we are trying to stop the story," said another aide to Mr. Bush.

Mr. Fitzwater, a former Treasury and White House press spokesman who went to work for Mr. Bush last April, believes that the allegation involving the Vice President will in time "play itself out."

And he has opted to ride out any public storm that arises. In his office at the Executive Office Building is a button that says "Who is Max Gomez?"

He denies running a supply operation but wants the rebels supported

been active in supplying military equipment to the rebels.

Aides say the Vice President has not been damaged by the speculation since it underscores the perception that Mr. Bush, like others in the Reagan Administration, is strongly committed to the rebels seeking to topple the Marxist Government in Nicaragua.

"It seems to me that a lot of people on the right are applauding the fact that he is strongly for the contra movement," said a key Bush associate who asked not to be identified.

But still, some aides seem concerned about the impression that Mr. Bush might somehow be linked to a secret operation that, if conducted, would be in violation of American law.

Since denying that assertion at length at a news conference when it first surfaced, Mr. Bush has declined to discuss his role further. "We have

Salvadoran General Contradicts Bush, Denies U.S. Civilians Aid War on Rebels

STATINTL

By DAN WILLIAMS, Times Staff Writer

STAT SAN SALVADOR—Contradicting a statement made by Vice President George Bush, El Salvador's military chief of staff said Monday that no American citizens nor other foreigners except authorized American military advisers have been working with the Salvadoran armed forces in the fight against leftist guerrillas.

"No one could hire a civilian as an adviser," said Gen. Adolfo Blandon, the nation's top military staff officer. "It would have to be authorized not only by us (the armed forces) but by the government" of President Jose Napoleon Duarte.

Bush said Sunday that a Cuban-American he identified as Felix Gomez was helping "the government of El Salvador put down . . . a Marxist-led revolution." Gomez's real name is reported to be Felix Rodriguez, and he has also been identified by the name Max Gomez.

Air Crew Survivor

STAT Last week, Eugene Hasenfus, sole survivor among the crew of a C-123 transport plane shot down by Sandinista troops in neighboring Nicaragua, said that Max Gomez was a CIA employee who directed an undercover operation through El Salvador's Ilopango Military Air Base to supply arms to the *contras*, the U.S.-backed guerrillas fighting the Sandinistas.

Bush's remarks and those of officials here and of Hasenfus raised questions about just what Rodriguez/Gomez—who in the past has worked for the CIA—was doing in El Salvador and for whom.

A spokesman for Bush said that Donald Gregg, one of the vice president's aides, recommended Rodriguez to the Salvadoran air force to serve as a military adviser.

Publicly, Salvadoran officials denied that Rodriguez held any kind of position with the Salvadoran armed forces, but they would say little else. Privately, some Salvadoran military officers said that Rodriguez was part of program that began last spring to help the *contras*.

Contras Tie Told

"He (Rodriguez) didn't have anything to do with us (El Salvador's armed forces)," one military officer said. "He was mixed up with the *contras*."

None of the Salvadorans interviewed on the subject linked the *contras* supply operation with the U.S. government, but they pointed out that U.S. military advisers and American Embassy officials have access to Ilopango air base and could hardly have been unaware of the activity.

One Salvadoran officer said that Rodriguez was one of "several" Cuban-Americans who worked at Ilopango, arranging flights of arms to the *contras*. They have operated up to three flights a week from Ilopango since last spring, he added.

Another military source said that an unspecified number of Nicaraguan exiles also were involved in the *contras* supply operations at Ilopango. These Nicaraguans, he said, were once members of the Nicaraguan air force under dictator Anastasio Somoza, who was overthrown by the Sandinistas in 1979.

The Nicaraguans were welcomed at Ilopango because they had formed friendships with Salvadoran air force officers before Somoza's fall, the source said.

Previously, the source added, the Salvadoran air force had let Nicaraguan rebels commanded by former Sandinista guerrilla leader Eden Pastora use Ilopango as a supply base. That program ended, he said, after CIA aid to Pastora's rebels was cut off in 1984.

The Times has reported that Gen. Juan Rafael Bustillo, head of the Salvadoran air force, let the *contras* supply operation use the Ilopango base. One Salvadoran officer said that an assortment of military irregulars operate routinely out of Ilopango.

"The people are among a group of free-lancers, some *contras*, some soldiers of fortune, some arms vendors, whom Bustillo lets work out there," he said.

Col. Mauricio Hernandez,

spokesman for the Salvadoran armed forces, said: "I don't know anything about this. But You know how the air force is here. They keep the doors closed tight."

Bustillo could not be reached for comment.

Political sensitivities apparently keep the Salvadorans from openly acknowledging their role in any *contras* supply effort. Officially, the government upholds a policy of not interfering in the affairs of Nicaragua, separated from El Salvador by the 25-mile-wide Gulf of Fonseca.

Unofficially, however, military officials express hostility to the Sandinistas because of their support, including reportedly supplying arms, to the Marxist-led guerrillas fighting the Salvadoran government.

"The solution to our problems," said one official, "is to get rid of the Sandinistas."

3 April 1986

INTELLIGENCE BRIEFING CASEY/BUSH
BY NORMAN D. SANDLER
WASHINGTON

STATINTL

Vice President George Bush met with CIA Director William Casey Thursday in final preparation for a high-profile trip to the Persian Gulf given added impetus by concern over terrorism and the politics of oil.

The intelligence briefing from Casey and a last-minute review of logistics by his staff preceded an evening departure for Shannon, Ireland, the first refueling stop on a 10-day trip to Saudi Arabia, Bahrain, Oman and North Yemen.

From Shannon, Bush was headed for Rhein-Main Air Force Base near Frankfurt, West Germany, for an overnight rest stop before his arrival Saturday in the Saudi capital of Riyadh.

The 10-day trip was characterized by administration officials as a mission of good will and reassurance to U.S. friends in the Arab world.

However, Bush created somewhat of stir in advance of his departure by indicating Tuesday he would appeal to the Saudis to halt the slide in oil prices that has inflicted economic pain on U.S. producers and his adopted home state of Texas.

The White House, in what presidential aides described as a clarification of those remarks, said Wednesday the administration would not interfere in the oil market and contended "the net effect" of the price plunge on the American economy "will be positive."

Beyond the controversy stirred by his comments on oil prices, Bush found a more ominous element to his trip highlighted Wednesday by the bomb explosion that killed four Americans aboard a TWA jetliner bound from Rome to Athens.

The fresh fears spawned by that bombing and precautions against threats hurled by Libyan leader Moammar Khadafy after the military confrontation in the Gulf of Sidra guaranteed security would be tighter than ever as Bush visited a region all-too-familiar with terrorism.

"Everyone is aware of the dangers of traveling in that part of the world," said Marlin Fitzwater, chief spokesman for the vice president. "We assume we will see tighter security. Just what steps the host countries will take, we don't know. The measures we do know of we won't divulge."

When asked Tuesday whether he had any heightened concern about his own safety because of the Libyan threat to retaliate against Americans in the Middle East, Bush replied, "None whatsoever."

During a trip to the southern flank of NATO last week, Secretary of State George Shultz received fighter escorts on flights from Ankara to Athens and Athens to Rome. It was not known whether similar precautions would be in effect for Bush.

Continued

ON PAGE 4-4

USA TODAY
6 March 1986

STATINTL

Terror panel stresses spies, intelligence

By Johanna Neuman
USA TODAY

Spies — not satellites — can help the USA thwart terrorism, the president's anti-terrorism commission reports today.

The commission, headed by Vice President George Bush, also wants the USA to consider making it illegal for companies operating in hostile countries to give "protection money" to groups friendly with terrorists.

The 36-page report, to be presented at the White House, also suggests:

- Reducing the number of U.S. employees in "high-threat" countries.

- Stopping abuse of the Freedom of Information Act — which allows terrorists access to government records.

- Exchanging more intelligence with allies.

- Using "human resources" rather than high-tech methods of gathering intelligence.

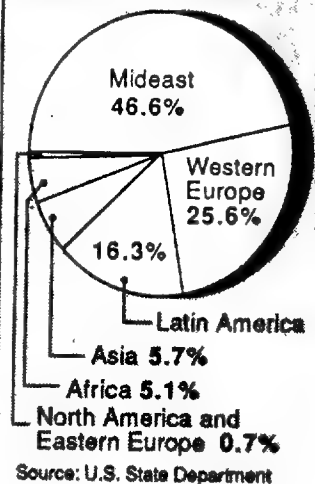
The report is sure to spark controversy in the intelligence community for urging that:

- Agents from various agencies gather under one roof.

- The National Security Council hire a full-time adviser

Terror targets

Where the 812 terrorist attacks were in 1985:



USA TODAY

and staff to monitor terrorism.

- The Senate Intelligence Committee, which gets secret briefings, merge with its House counterpart, which does not.

The report finds that the existing "capacity for combating terrorism is satisfactory," but implementing the recommendations "can make it better."

STAT [] WASHINGTON TURNS UP HEAT ON MARCOS
By R. GREGORY NOKES
WASHINGTON

The drum-beat of revelations in the United States aimed at discrediting President Marcos in advance of the Feb. 7 election in the Philippines underscores how anxious Washington is to see him replaced. STATINTL

In the past two weeks, there have been major stories alleging Marcos is in extremely poor health, that his claims to heroism during World War II are largely fraudulent and that he and his wife have salted away many millions of dollars in the United States.

They have come against a background of repeated official warnings from the administration that the election must be fair, which is another way of saying the administration thinks Marcos will steal the election if he could.

STAT [] "If the White House had asked Bill Casey a year ago to devise a plan to get Marcos, he couldn't have done better than this," said a Pentagon analyst, referring to the director of the Central Intelligence Agency.

Officially, the administration is neutral in the campaign between Marcos and Corazon Aquino, the opposition candidate.

But interviews with officials who spoke on condition they not be identified disclose a virtually unanimous view that the Marcos government is rife with corruption and incapable of undertaking the political, military and economic reforms necessary to defeat a growing communist-led insurgency.

At stake for the administration, in addition to keeping the Philippines in the pro-West camp, are the largest U.S. military bases overseas - Subic Bay and Clark Field.

Some of the information aimed at discrediting Marcos comes from the many enemies Marcos has made in his 20 years of rule, especially in the large exile community in the United States, some of whom have fled for their lives.

But some of it also has originated from official sources. Rep. Stephen J. Solarz, D-N.Y., has been holding hearings before his House subcommittee on Asian and Pacific Affairs on alleged U.S. investments of the Marcos family.

Whatever the origins of the information, the administration has made no effort to contradict or discourage the reports.

The State Department declined public comment on reports of Marcos' ill health, while privately confirming them, and officials said they wouldn't "second-guess" Army documents suggesting Marcos has falsified his war record.

With respect to evidence before the Solarz committee that Imelda Marcos, the president's wife, might own Manhattan real estate worth an estimated \$350 million, Paul Wolfowitz, the assistant secretary of state, said the government doesn't keep track of such investments by foreigners because they would not be illegal.

But the State Department later revealed it had routinely and not-so-routinely investigated whether the Marcos government might have misappropriated U.S. foreign aid funds.

Continued

Spokesman Bernard Kalb said that while no evidence of wrongdoing had turned up so far, the investigation was not yet complete.

STAT

Reporters were reminded, too, that the Justice Department has been probing possible contract kickbacks involving the Philippine military for the past year.

Relations hadn't always been this bad between Marcos and the Reagan administration. Vice President George Bush praised Philippine democracy during a visit to Manila several years ago, and Marcos was warmly received at the White House.

Reagan had even planned to visit the Philippines in 1983, but the trip was quickly cancelled after Philippine opposition leader Benigno Aquino was murdered on his return from American exile in 1983.

Most officials see the murder of Aquino, husband of Corazon Aquino, as the watershed event that has turned the administration against Marcos.

Marcos still could win, and the administration is prepared to deal with him if he does. It is sending an official team of observers to view the election.

Washington knows, as Marcos does, that the United States could not afford to abandon the Philippines to the communists just because Marcos were to win a flawed election.

It is with the communist threat in mind, as well as the wish to support democracy, that the administration is pressing for a fair election.

U.S. pressures have worked to some degree, according to a State Department analyst who said Friday. "It is looking more and more like it will be a moderately fair election."

He said "the kicker" is whether an independent vote-monitoring group known as Namfrel will be able to conduct its own count of the vote on election day, to provide a back-up to the government count.

Marcos still hasn't approved, but Secretary of State George P. Shultz is understood to have pressed Assistant Foreign Minister Pacifico Castro in a meeting here last week. The message, of course, is that the administration does not trust the Marcos government to produce a fair count.

Another example of the U.S. pressure was the statement last week by Wolfowitz to the Senate Foreign Relations Committee that a flawed election would be worse than no election, and would open the way to new communist inroads as people turned to "radical solutions" to achieve the changes they could not achieve at the polls.

Left unsaid by Wolfowitz and other officials is the widely held private view of many of them that the fairer the election, the better the chance Mrs. Aquino would win.

EDITOR'S NOTE: R. Gregory Nokes writes on diplomatic affairs for The Associated Press and has been focusing lately on the Philippines election.

USA flexes muscle at Libya

By Don Kirk
USA TODAY

USA warplanes have mounted a new challenge to Libyan leader Muammar Khadafy — and the Soviet missiles now poised on Libya's coast.

Navy planes took off at 7 p.m. EST Thursday from two carriers north of Libya to launch the USA's week-long show of force in defiance of Soviet and Libyan threats.

The White House, Pentagon and State Department called the operation "just routine," but it marked another escalation in the USA's campaign to curb Soviet-backed Libya and stop terrorism.

"We're showing the U.S. resolve to continue to operate in international water or air space no matter who may be screaming and shouting about it," said Navy spokesman Lt. Cmdr. Robert Prucha.

That remark was aimed at Khadafy's claim to control all the Gulf of Sidra beyond the 12-mile limit recognized by the USA. Navy F-14 Tomcats shot down two Libyan planes over the gulf in 1981.

"Nothing provocative about this," White House spokesman Ed Djerejian said. "We have no intention of thumbing our noses at Khadafy."

Reagan also has ordered more money for development of a CIA covert operation against Khadafy, according to published reports today.

"We got his number," Vice President George Bush said about Khadafy in a New York speech Thursday. "We know he's a liar ... with the blood of an 11-year-old girl on his hands, a pretty little American girl" killed in a recent terror attack at the Rome airport.

The Pentagon has notified Mediterranean countries that Navy planes plan to crisscross the area until Jan. 31.

FAA spokesman John Leyden said the operation did not endanger civilian planes.

13 December 1985

IN THE NATION | Tom Wicker

An American Dilemma

George Shultz told a London audience the other day that Western nations should use whatever means necessary, including covert military aid, to support anti-Communist forces in such places as Angola, Afghanistan, Cambodia and Nicaragua. But conspicuously missing from the Secretary of State's list was the Philippines.

Owing to important military bases there, vital U.S. interests are more certainly at stake in the Philippines than any of the other places Mr. Shultz mentioned. It was only four years ago, moreover, that Vice President George Bush journeyed to the Philippines to offer in an effusive inaugural toast the Reagan Administration's commitment to President Ferdinand Marcos.

"We love your adherence to democratic principles and to the democratic process," Mr. Bush gushed.

But no one doubts that Mr. Marcos's "pro-American" Government is now under severe challenge from a Communist insurgency — so much so that President Reagan recently dispatched his close friend, Senator Paul Laxalt, to Manila to warn Mr. Marcos that he was losing the battle, militarily and politically.

So why wasn't the Philippines on Mr. Shultz's list?

Because, it's reasonable to speculate, the Communist insurgency is not the only or even necessarily the most immediate of Mr. Marcos's problems; and because it can't be clear, even to the Reagan Administration, that backing him to the hilt is necessarily the best bet to stop a Communist takeover.

Accumulating charges of repression and corruption, and the assassination of a major political rival, Benigno Aquino, have shaken Mr. Marcos's hold on power and his standing among non-Communist Filipinos; now Gen. Fabian Ver and other military men whose responsibility for the killing had been strongly suggested by an investigating commission have been cleared by one of Mr. Marcos's courts, prompting complaint even from Washington.

Mr. Marcos has been forced to call a special election for Feb. 7 — although it's by no means sure that he aims to go through with it or to abide by the results, if unfavorable to him. He'll be opposed by Corazon Aquino, Benigno's widow, a powerful emotional symbol to anti-Marcos Filipinos, and her running mate, Salvador Laurel, the leader of a well-organized opposition party — a strong ticket in a clean election, democratically oriented and pro-U.S.

Here is a genuine American dilemma. Military men generally consider

the U.S. bases in the Philippines highly important; and although it's not clear to what extent, if any, the self-labeled Communist insurgents are linked to Moscow, preservation of the bases undoubtedly requires preservation of a pro-U.S. government.

If Mrs. Aquino could win, that might bring new life to a democratic tradition most Americans would like to think their earlier stewardship effectively planted in the Philippines; and even conservatives might agree that that would offer more hope of effective resistance to the Communist insurgency than a continuation of Mr. Marcos's repressive, corrupt regime. U.S. military and other aid almost surely would be more generously proffered by a Congress long suspicious of the Marcos Government's

Why isn't the Philippines on Shultz's list of forces fighting Reds?

will and ability to clean itself up and put down the rebellion.

On the other hand, the corrupt, strong-arm Marcos regime, long the recipient of undeviating U.S. support, might survive the February election by fair means or foul, only to crumble under the Communists' growing strength. Even if it didn't, Mr. Marcos hardly offers Filipinos the kind of democratic future Mr. Shultz extolled for Angolans, Afghans, Nicaraguans, etc.

On the other hand, any suggestion of U.S. support for Mrs. Aquino certainly would be denounced by the agile and vitriolic Mr. Marcos as unacceptable Yankee intervention in Philippine affairs; and might even give him an excuse to call off the election and return the nation to martial law. What effect any of that might have on the military bases is hard to estimate.

Mr. Shultz's case for interventionism is by no means proved; whether, for instance, "covert" aid for the Angolan rebels improves or worsens the American position in southern Africa remains to be seen. And the complex case of the Philippines suggests again that mere anti-Communism is not always a sufficient base for intelligent policy.

WASHINGTON POST

1 December 1985

C7
Joseph Kraft

Bush: Out Front and at Ease

STATINTL

"I know what I have to do to get from here to there," Vice President George Bush told a visitor the other day. That comment on his campaign to win the Republican nomination in 1988 reflects a man easy in his skin. So easy, indeed, as to raise doubt about the gnawing passion usually required to win the presidency.

Inner calm radiates from Bush. He has lost the anguished look. His voice holds steady, without the flights into the tenor range that once telegraphed stress. He doesn't quickly take offense. He volunteers that on a day God made for playing tennis, he tries to lighten the workload. He seems, if you'll pardon the expression, happy.

Hewing loyally to the Reagan line is, of course, the main thing Bush has to do these days. He does it with good grace and no sense of being burdened with a thankless task. He declines invitations to take sides in the inner wars of the administration on arms control. Of the controversial Strategic Defense Initiative, or Star Wars program, he says only: "I'm confident it won't disrupt Big Two relations."

On abortion, Bush says he changed from free choice on learning there had been 15 million abortions since the Supreme Court gave the operation legal sanction. Asked whether he thought 15 million Americans committed crimes, Bush said the number was less when abortion was illegal.

On budget matters he admits a majority in Congress probably favors a tax rise. But he prefers not to go that way "until the last nickel can be squeezed out on the spending side." When asked about a revenue rise dedicated to debt retirement and thus not eligible for application to spending programs, he says: "It's something I want to think about."

On one vexed piece of business, where Bush has special experience, he does go out front. He served as director of Central Intelligence, and worries about leaks. He thinks the breach of secrecy on the CIA plan for harassing Muammar Qaddafi, the Libyan blowhard, had a "devastating" impact. He says there has been too

much loose talk in Congress, at the CIA itself, and in the White House.

As a partial remedy Bush favors folding the separate Senate and House oversight committees into a Joint Committee on Intelligence. That way the staff would be drastically reduced. Instead of rotating on and off the committees as at present, members of the joint committee would serve long enough to acquire genuine expertise.

In another sensitive area, Bush may break new ground. He chairs a task force looking into international terrorism. Among other things Bush envisages a session with newspaper and television executives. He intends to sound them out on the possibilities for a self-imposed code of restraint on coverage of terrorist acts. But his staff makes certain there is no hint of advocating censorship—a little touch of front-runneritis.

Bush knows he leads the pack in the Republican race. When asked whether he wasn't especially strong in the West, he responded: "And in the East, and the South, and the North." The midterm elections, moreover, provide an occasion to lengthen the lead. The vice president plans an active campaign for fellow Republicans in the Senate, House and gubernatorial races. He is not about to undo his advantage by taking controversial stands or alienating other Republicans.

As rivals for the nomination he lists Jack Kemp, the New York congressman; Bob Dole, the Senate majority leader; Howard Baker, the former majority leader; and Pete DuPont, the former governor of Delaware. He sees as outsiders, trying to get started, former secretary of state Alexander Haig, and former secretary of defense Donald Rumsfeld.

Toward all, he follows what President Reagan has called the 11th Commandment: Thou shalt not speak evil of any other Republican. Those who foresee an eventual Bush-Kemp ticket can take comfort from the vice president's stance. Of Kemp's campaign, he says: "I can't think of anything he's said that's personally derogatory."

Even right-wing support, which he

used to seek with a frenzy some found demeaning, no longer troubles Bush. He feels he stands well with many of what are known in the Republican Party as "the wingers." A striking case is the support the vice president enjoys from the evangelist Jerry Falwell. Of the others the vice president says: "There are some I can't do anything about."

That almost fatalistic attitude raises the matter of the gnawing passions. People don't become president by chance. They have to want the job intensely. They think about nothing else, night and day, in season and out, for years. Bush is not that way, at least not now.

"If I decide to go all out for the job . . ." he began at one point. Eyebrows were raised and a question put about whether the conditional approach didn't reflect a want of appetite. Bush had an answer. Many people, he said, felt that when it came to running for 1988, it was "still too early." But if you really and truly want to be president, is it ever too early?

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INTERNATIONAL

The Philippines: Another Iran?

Fearing disaster, Washington attempts to move Marcos toward reform.

An old and ailing dictator, a regime stained and weakened by corruption, a nation boiling toward revolt—the scenario conjures up American nightmares of Vietnam, Nicaragua and Iran. But this time it's playing out in the Philippines. As President Ferdinand Marcos prepares to celebrate his 20th year in power, the all-but-unanimous view of old admirers and neighbors is that he is now hellbent for disaster, locked on a course that will endanger the vital strategic and political interests of his allies throughout all of Asia. While the 68-year-old autocrat retreats to Malacañang Palace, the economy falters, demonstrators crowd the streets and communist insurgents of the once inconsequential New People's Army ply the countryside. If Marcos fails to provide reforms and a capable successor, most strategists now agree, the Philippines could tumble into a military dictatorship or a communist takeover within the next five years. As former U.S. Ambassador William Sullivan puts it, the fate of America's old ward, partner and Asian alter ego has suddenly become "the most dangerous, unsettling and destabilizing problem anywhere on the Pacific rim."

Immediately at stake is the future of the two largest American military installations outside the continental United States. Sitting at the southwest edge of the Pacific Ocean, Clark Air Base and the Subic Bay Naval Station are ideally situated for projecting American strength into the South China Sea and the vital sea lanes that channel oil from the Persian Gulf to Japan. They also provide an effective counterweight to the rapid Soviet naval buildup at Cam Ranh Bay in Vietnam. The loss of the bases could alter the balance of power in the Pacific, jeopardize billions of dollars of American trade, shake the confidence of China and Japan—and possibly

even loosen their ties to the West. If the United States were forced out of the Philippines, says Rear Adm. Lewis Chatham, commander of the U.S. Seventh Fleet battle force, it would be tantamount to "abdicating the South China Sea to the Soviets."

As the urgency has mounted, a steady stream of administration officials and con-

up to replacing him. Invariably, he has rejected the criticism, insisting that the problems have been exaggerated. It's not that Marcos isn't listening, says a Western analyst in Manila. "It's just that the problems don't appear serious enough for him to re-juggle his priorities."

Those priorities seem to include protecting an interlocking matrix of family and cronies who have prospered over the past 20 years, at times achieving great wealth at the nation's expense. Beyond that matrix, life in the Philippines is becoming ever more grim. Manila's shantytown ghettos are rife with strikes and demonstrations. According to the latest U.S. intelligence estimates, some 15,000 armed guerrillas are operating in up to 62 of the nation's 73 provinces—and their ranks are growing at a rate of 20 percent a year. Last week Lt. Gen. Fidel Ramos, the acting armed forces chief of staff, estimated that the rebellion had cost 4,500 lives this year. Meanwhile elements within the military continue to abuse the civilian population, and death squads are increasingly terrorizing the villages and towns. Vast pockets of the countryside have fallen into grinding poverty. On the island of Negros, where many unemployed migrant workers subsist on a diet that consists largely of sugar cane, Roman Catholic Bishop Antonio Fortich sees "a social volcano about to explode."

American strategists insist that the Philippines is not yet lost—but Marcos must act immediately to prevent his country from falling apart. There seems little likelihood that the NPA is poised to march on Manila or even to take control of the major outlying islands. The more proximate fear is that the NPA's political arm, the 1 million-strong National Democratic Front, may foment so much civil unrest that the government will no longer be able



The First Couple: An intricate web of loyalties and intrigues

gressmen have converged on Malacañang Palace, cajoling, wheedling and pressuring for democratic change. The result, says one veteran, has been "like spitting into the wind." Marcos has listened as his American visitors have warned of the gathering strength of the NPA guerrillas, the growing disaffection of the Army officer corps, the crumbling of the islands' economy and the need for Marcos to provide a vice president

to maintain control. Some officials warn that a "flash point" might come as early as next year. Thus the challenge is to prod Marcos into action: the immediate problem is to persuade him to allow free and fair balloting in the election of 15,000 municipal and provincial officials scheduled for next spring. In that way, U.S. strategists hope, political passions can be channeled into traditional campaigning. If the moderate opposition has a genuine chance in the 1987 presidential election, the insurgency could lose a good deal of steam.

But can Marcos really be prodded? He has always been a brilliant political tactician; now he has become a master of evasion: his main response to criticism has been to threaten, filibuster and delay. Washington recognizes that it has no one else with whom to deal. "While President Marcos at this stage is part of the problem, he is also necessarily part of the solution,"

says a draft of a National Security Study Document setting forth the basic U.S. policy on the Philippines. The directive suggests that Washington adopt "a well-orchestrated policy of incentives and disincentives"—offering aid only if Marcos meets certain well-calibrated measures of reform. The difficulty with that approach, says one political analyst, is that "Marcos just keeps eating the carrots and no one dares hit him with the stick." Ultimately, officials fear, Marcos may conclude that Washington needs him and his bases more than Marcos needs the United States.

Previous U.S. policy may well have contributed to that perception. Four successive U.S. administrations sat quietly by after 1972, when Marcos declared martial law and began restructuring the Philippine Constitution to accommodate his personal rule. His regime muzzled the press, packed the courts with loyalists and, according to

human-rights activists, detained 60,000 moderate opponents. Simultaneously, his cronies filled government posts and gained monopolies in key commodities such as sugar and coconuts. When Marcos lifted martial law in 1981, the government had been transformed. The president retained wide-ranging powers of decree that allowed him to overrule—or even dissolve—the Parliament. Yet, in visiting the Philippines that same year, U.S. Vice President George Bush lavished praise on the autocrat who had undone decades of democratic tutelage under the United States. "We stand with you, Sir," the vice president said. "We love your adherence to democratic principles and to the democratic process."

If that view sorted badly with new realities, Bush wasn't alone in his mistake. By the summer of 1983, only a few political and intelligence officers in the U.S. Embassy in Manila perceived the dangers that are now swirling around Malacañang. Ronald Reagan, an emissary of Richard Nixon in 1969, deeply admired Marcos's anticommunism. U.S. Ambassador Michael Armacost, a Reagan appointee, initially was so friendly with the Marcoses that some Filipinos called him "Arma-close." Then, on Aug. 21, 1983, opposition leader Benigno Aquino, the only Filipino charismatic enough to compete with Marcos *mano a mano*, was gunned down at the Manila airport as he returned from exile in the United States. Aquino had been intent on talking Marcos, who appears to be suffering from a degenerative disease, into a dying man's commitment to restore democracy to the Philippines. Although no one proved Marcos was behind the assassination, just about everyone suspected him or his followers. In early 1984, Adm. William Crowe, then commander in chief of the U.S. forces in the Pacific and now chairman of the Joint Chiefs of Staff, returned from Manila with a warning for the president and secretary of state: Marcos's political position was crumbling, he reported, and the insurgency was rapidly gaining ground.

Reagan's response has been to send Marcos a string of messengers—including former U.N. Ambassador Jeane Kirkpatrick; her successor Vernon Walters, a retired general and intelligence operative; William Casey, director of the CIA, and Sen. Paul Laxalt, Reagan's close friend and campaign chairman. White House aides report, however, that the president remained "soft" on Marcos. It took a strong pitch from key foreign-policy advisers, in particular Armacost—now under secretary of state—to persuade Reagan to step up the pressure. The pressure was strongly reinforced in early October when Singapore Prime Minister Lee Kuan Yew told Reagan that if the United States lost its former colony and old ally, countries throughout Southeast Asia would draw their own conclusions. Lee's views

were powerfully held: he later told a private gathering that Marcos was "living on borrowed kidneys" and stopped just short of saying that the United States should take covert action to remove him.

It was Lee's warning that finally prompted the president to send Laxalt, his strongest emissary to date. When he arrived in Manila two weeks ago, Laxalt bore a three-page, handwritten letter from Reagan. According to Laxalt, Marcos seemed "profoundly impressed." Nonetheless, the only specific that the two men could agree upon in four hours of conversation was that Marcos should hire a new public-relations firm to beef up his image in the United States. Marcos gave Laxalt the impression that he was supremely confident of military victory over the insur-

gents. While acknowledging that he had his share of political problems, Marcos cited a recent poll that showed he was still far more popular than any potential candidate from the Philippines' fractured opposition. And when Laxalt raised the issue of human-rights violations, Marcos responded that all of his problems were caused by external forces and communists.

There is little question that Marcos intends to hang on. The president insists that there are no worthy successors in sight: he says the opposition is full of "weaklings" and "lightweights," while possible contenders from his own party are not yet ready for the job. "Are we just going to leave our people to the mercies of the fellow travelers and the communists?" Marcos asks. "Because if I resign, that's a rout."

The statement was worthy of Louis XIV, but American officials concede that Marcos has a point. The succession threatens to open a Pandora's box of contending parties, factions and cabals, especially if Marcos dies or becomes incapacitated before the end of his present term. It took considerable American

pressure in 1983 to compel Marcos to revive the vice presidency in the post-martial-law Constitution—under the current schedule, a vice president will not be elected until the mid-1987 elections. As things stand now, Marcos would be succeeded by Nicanor Yñiguez, the aging speaker of the National Assembly, who would serve as a caretaker until elections could be held within 70 days. But if the National Assembly isn't in session at the time, there isn't even a speaker to serve as interim successor.

Washington's problem now is to sort out the players in a succession battle that has already begun. The democratic opposition is scrambling to get its act together while the Communist Party continues to organize the countryside. U.S. officials maintain, however, that the immediate successor is more

likely to come from Marcos's inner circle—and that no candidate will be able to come to power without support from the Philippine military.

American officials believe there could hardly be a worse choice than the front runner, First Lady Imelda Marcos. Marcos has always been strongly dependent on his former-beauty-queen wife. Just before declaring martial law he suggested that she campaign to become his constitutionally elected successor. In 1975 he named her governor of Metro Manila, the capital region whose 8 million residents are crucial to the political control of the country. Three years later she led the government's Manila ticket against Benigno Aquino, who ran his campaign from jail. Although opposition leaders contended that Aquino was ahead when the polls closed, the government-controlled counting produced a landslide victory.

ry for Imelda. In 1972, she helped her wife to become minister of human settlements, with control over a hefty budget. She has also served as a presidential envoy to Libya, to China, repeatedly to Moscow and last week to the United Nations.

U.S. officials complain that Mrs. Marcos seems genuinely unaware of how deeply disliked she is by millions of what she has called her "little brown children." Critics despise her political intrigues, her economic giddiness and her opulent shopping trips abroad. Still, Mrs. Marcos will be able to count on the intricate web of loyalties that she and her husband have built up over the years. And she is cultivating military officers, such as Army commander Maj. Gen. Josephus Ramos and armed forces Chief of Staff Fabian Ver, who is on leave of absence following his indictment in connection with the Aquino assassination. American officials worry

that her association with Ver could lead to further instability in the Philippines.

Washington is also wary of Eduardo Cojuangco, chairman of San Miguel, the Philippines' largest corporation. While other business allies of Marcos have suffered from the country's two-year-old economic crisis, Cojuangco's empire continues to grow. Just a few weeks ago the United States talked Marcos out of permitting Cojuangco a monopoly on the nation's wheat imports. Up to now Cojuangco has preferred to shun publicity. But, claims opposition leader Salvador Laurel, "If he had to become president to protect his interests, then he might try."

There is no question the United States would prefer the emergence of a centrist figure. One is Defense Minister Juan Ponce Enrile, who has already declared himself a presidential candidate if Marcos is not around to run. While Enrile helped plan the 1972 martial-law takeover, he has distanced himself from Mrs. Marcos and Ver. Instead he has associated himself with a growing reformist faction that aims to move the military from the right wing to the political center. Enrile and Acting Chief of Staff Ramos appear committed to defending the Constitution if Marcos resigns or dies in office. That might mean a showdown if factions of the ruling clique attempt to forestall an election. But if a constitutional crisis does emerge, Enrile and other centrists could probably count on the backing of the United States.

An electoral victory by the moderate Filipino opposition might please Washington even more. For now, the opposition seems hopelessly divided. But American officials are still hopeful that anti-Marcos sentiment

can coalesce around a single opposition candidate, and they have made discreet overtures to several potential leaders.

Chief among them is former Senator Laurel, president of an eight-party coalition called the United Democratic Organization. Last June UNIDO issued a platform calling for a referendum on the U.S. military bases and demanding that no nuclear weapons be stored there. But Laurel supports the bases, and predicts that Filipinos would agree to keep them if a vote were held today. Meanwhile, an emotional favorite is Corazon Aquino, the widow of the charismatic opposition leader. But Mrs. Aquino has little political experience and is reluctant to become a contender. Last week she agreed that she might run for president, but only if

Marcos called a snap election—and then only if 1 million people signed a petition drafting her to run.

The United States could try to encourage a deal between Marcos and his opponents—and protect U.S. strategic interests as well. Under one scenario, envisioned by Richard Holbrooke, former assistant secretary of state for East Asian affairs under Jimmy Carter, Marcos would be permitted to serve out his term, preserve his wealth and be immune from future prosecution, probably in exile in the United States. In exchange, he would have to agree to electoral reforms and announce that neither he nor his wife would run for the presidency. In return for Washington's role in easing Marcos out, the opposition would have to agree to retain the U.S. bases. The deal would be immensely difficult to engineer: Holbrooke gives the plan a 1-in-4 chance of success, and that may be optimistic. But officials stress that the best chance for American interests in the Philippines is to have Marcos gracefully step down.

Without such an arrangement, Washington can only press more vigorously for reform. Among its chief concerns is the state of the Philippine military. To signal its displeasure, Congress recently cut its 1986 military aid to Manila from \$100 million to \$70 million. Marcos may provoke an even stronger reaction if he follows through on his promise to reinstate General Ver when, as expected, he is acquitted of complicity in Aquino's murder. "It would be the end of things," says retired Maj. Gen. Edward G. Lansdale, once a key CIA operative in Manila, who believes that such a decision would badly tarnish the honor of the Philippine government. "The political demonstrations they have been going through would multiply a hundred times, and there would be demands that Marcos should step down immediately."

Equally pressing is the need for economic and political reforms. Rather than loosening his hold on the electoral process,

Marcos has strengthened it by appointing loyalists to the notoriously partisan Commission on Elections, which discredited a citizen's group whose watchdog activities during the 1984 legislative elections discouraged widespread cheating. Meanwhile, Washington is pressing for the elimination of Marcos's peculiar brand of "crony capitalism" that fosters monopolies and breeds corruption in nearly every phase of Philippine economic life.

To date, Marcos has paid the U.S. warnings remarkably little heed. But the Philippines is one country where the United States still has enormous influence, and Ronald

Reagan has one very powerful card to play: himself. To an extent, Marcos's legitimacy has always rested on American support. It would be hard for him to reject public pressure from Reagan to step aside. So far the president has only sent messengers. It might make a difference if he decided to do the job himself. But American officials must also face the possibility that Marcos might decide to call any bluff.

For now, the waning dictator seems curiously passive about the future of the Philippines. According to one intimate acquaintance, "Marcos has suggested that the day of the two-party system and personality politics may be past. When he goes, only the military will be strong enough to handle the

left." And at times, Marcos is even gloomier, speaking of a "Cambodia-style genocide" should the NPA ever come to power. But when that happens, Marcos expects to be dead. Marcos is far tougher than the shah and Somoza before him; and like them, he hopes to stick it out to the end. If he leaves it for others to worry about the deluge that promises to ensue, his dereliction will endanger not only the U.S. bases that secure Western interests in the region, but the American legacy of democracy to a long-time ally and friend.

HARRY ANDERSON with MELINDA LIU and RICHARD VOKEY in Manila, ZOFIA SMARDZ, KIM WILLENSON, JOHN WALCOTT and MORTON M. KONDRACK in Washington and bureau reports

MARCOS'S 20 YEARS

Once Asia's democratic showcase, could Manila become another Saigon?

1965 Ferdinand Marcos wins the presidency. Lyndon Johnson soon calls him "my strong right arm in Asia."

1972 Barred from a third term, Marcos declares martial law.

1981 With new laws making him paramount, Marcos ends emergency rule and wins reelection.

1983 Opposition leader Benigno Aquino is murdered. Suspicion falls on Marcos's close friend Gen. Fabian Ver.

1984-85 Ronald Reagan repeatedly sends emissaries with an urgent warning: reform. Time is running out.

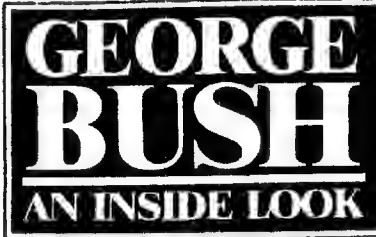
'Poppy,' hero of the family, takes aim at '88

First of four parts

By Barnard L. Collier
THE WASHINGTON TIMES

When Jonathan Bush was 7 years old in 1938, he thrilled with pride to see his baseball player brother, George, 14 — known to all as "Poppy" — marching around the dining room table with his chums from Phillips Academy in Andover, Mass., singing the school song.

In World War II in the Pacific theater, George was an 18-year-old flying officer in the Navy, the youngest fighter



pilot in the fleet. He was lanky, blue-eyed and dashing. He took chances, bombed and strafed Japanese targets, got shot down at sea and luckily was saved by a U.S. subma-

rine. He also reveled in something almost all Bush family members prize: a good time.

At home in the rambling wooden house in Greenwich, Conn., Jonathan, then 11, was overjoyed by George's occasional letter from the war.

"I still see him — if I can get real corny but truthful — as a hero," said Jonathan, now a 54-year-old investment broker, of George Herbert Walker Bush, 61, now the vice president of the United States.

When Lt. j.g. Bush returned from the Pacific at Christmas 1944, he married an 18-year-old knockout from Rye, N.Y., named Barbara Pierce. Her father was the publisher of McCall's magazine. Jonathan Bush recalls

her as "peculiarly beautiful, with great big eyes and gorgeous hair."

Moreover, Jonathan realized, "She was wild about him. And for George, if anyone wants to be wild about him, it's fine with him."

Today, four decades later, George Bush, the second son of Prescott Bush of Greenwich, Conn., and Dorothy Walker of St. Louis, intends to find out how many Americans may be even mildly wild about him.

If Mr. Bush becomes president of the United States, either by succession or by popular election, the American people will have a chief

executive officer who sought the job with a barely concealed passion, and who believes he can do it better than anybody on the national scene.

Mr. Bush is aware that in a national election in 1988, provided he wraps up the Republican nomination, he must beat big historical odds: No vice president has become president by election, unless he has earlier succeeded to the Oval Office because of the president's death, in the last 37 presidential election campaigns, the last one being Martin Van Buren.

He must also limit the number of his doubters and detractors, who interpret Mr. Bush's ambition — which he tends to emphasize by his zeal in underplaying it — as unseemly and perhaps dangerous in an American political leader.

Some of the accusations against Mr. Bush by sharpshooters on the Republican right puzzle him and his admirers. In addition to the venial sins of ambition and naiveté, he is commonly charged with the mortal sins of being a "wimp," an elitist, too easily influenced by moderate opinions, too trusting of the communists and their ilk, a preppie, a "good No. 2 man," a blue blood and a man who is "on the Right, but not of the Right."

From his political left, the barbs are more snide. The snidest have come from cartoonist Garry Trudeau in his "Doonesbury" strip. One episode suggested that by faithfully representing and promoting the policies and philosophies of President Reagan he had, willingly, "put his manhood in trust."

But George Bush, it is often said by his loved ones, kinfolk and friends, "knows who and what he is." Moreover, he resists and refuses to be repackaged in ways political marketers predict will be more palatable to a larger public.

One thing Mr. Bush surely is: He is a man who carefully is planning to be the next president.

Before a large luncheon audience recently in Los Angeles, he responded to a point-blank question from the floor about his presidential future by saying: "I'll try to give you a serious non-answer."

What he answered, with a confidential grin, was:

"I know what is beating in my breast. And if you ask Mrs. Bush, she does, too."

The listeners laughed, and his poetic message sank in.

For now, Mr. Bush's personal respect for Ronald Reagan will keep him working as diligently and unob-

trusively as possible in the background. He will neither contradict nor question the president nor his policies in front of anyone but Mr. Reagan himself — they meet for half an hour at 9 each morning. He rarely will take credit for missions he has accomplished or international deals he has cut.

But then, after the 1986 congressional elections, he intends to come right out and shout what early-bird campaign buttons are already saying:

"Bush for President!"

The question of what makes George Bush run is a significant one.

President Lyndon Johnson used to say, "If you want to know what moves a man, find out what his father failed at."

In a recent interview, Mr. Bush recalled his father:

"Yes, he did fail once. In 1950, he failed to be elected to the United States Senate from Connecticut. We [his family] never looked at it that way. But he set his sights to win. You fail in a match if you lose it. If it's important enough you do feel failure. If it's 'one more experience in life, you don't.'"

Mr. Bush is widely known in and out of political circles as a tenacious competitor. He recalls that in the past he was "goal oriented," which translated into unbridled energy and raw determination to get where he was going and to grasp what he wanted.

After the Navy, he zipped through Yale, making Phi Beta Kappa, in just 2½ years. He tore into the world of business with a similar ferocity.

"But now, as I get older," he said, "I have become mellow. Just ask any of my brothers. They'll agree to that."

He has reluctantly begun to reveal more of himself and his personal life to some reporters. He hopes this will serve to satisfy public curiosity, although it violates a personal tenet, taught by his mother, "not to speak too much of one's self."

There are signs, too, that he is watching Ronald Reagan's consummate communication methods with studious attention, and learning something about speech making that will be politically profitable to him.

To some lengths, however, he will not go.

Take his watchband, for example.

He wears a Timex watch with a blue and red striped cloth watchband on his right wrist.

He has been urged by diverse political consultants, pals, well-meaning journalists and unsolicited letters to change his watchband — which seems to be a universally accepted "preppie" fashion mark. A different watch might project a different and better image, the thinking goes.

"I won't do it," he says, with a certain stubbornness.

Alix Reed Glen, the producer of Cable News Network's "Crossfire" and until last July a valued member of the Bush press staff, said what Mr. Bush will not say in such blunt terms:

"What the hell does his watchband have to do with national security?"

When the bits and pieces of his life and work so far are accumulated, Mr. Bush comes into focus as a hereditary American achiever.

He is descended from an ancestry of hard-working, hard-playing, well-off business and financial pioneers of New England and the Middle West.

The traditions of his family run strong in him. There was much stress laid on the values of loyalty to family, friends, one's country and oneself. And on honor: one's word is one's bond. Good gamesmanship: winning. Good sportsmanship: how to be a graceful second. Diligence. Self-reliance. Respect. Courage.

The precepts were passed along in open-ended family dinner table conversations and instilled in private talks with parents, grandparents and relatives. There also were historic family examples, such as:

- Samuel Prescott Bush, Mr. Bush's father's father, who graduated as an engineer from Stevens Institute in New Jersey, worked for the Pennsylvania Railroad, ventured out to Columbus, Ohio, to become chairman and chief executive officer of the Buckeye Casting Co., introduced football to Ohio and was the first football coach at Ohio State University.

- George Herbert Walker, his mother's father; founded G.H. Walker & Co., by 1900 the largest brokerage firm in St. Louis. Active in building a railroad between the United States and Mexico, a "crackerjack" polo player, bridge player, golfer, president of the U.S. Golfers Association in 1921, responsible for The Walker Cup matches, which are still played. He was a top-notch shotgunner, remembered by his grandchildren as stern, and "a wonderful story teller."

- Prescott Bush, his father, sang at Yale with the Wiffenpoofs and the Yale Glee Club, later formed the Silver Dollar Barbershop Quartet which occasionally sang with Fred Waring's orchestra. In 1921, he went to work for the securities firm of W.H. Harriman, where he eventually became a managing partner. He was greatly interested in golf — winning several matches against the best of the day — and was president of the

USGA in 1935. He left the U.S. Senate in 1962, forced to retire with inner ear troubles.

- Dorothy Walker Bush, his mother, who at 84 remains a force to reckon with in the lives of her children. A young national tennis finalist, always a fierce competitor, she is now slowing physically. Not long ago she observed that at her age, "I'm beginning to learn what patience is all about."

She has remained alertly active well into her children's most productive years. "Mum," as Mr. Bush calls her, had her own instructional style.

"My mother's was a little like an Army drill sergeant's," Mr. Bush wrote for Mother's Day 1985. "Dad was the commanding general, make no mistake about that, but mother was the one who was out there day in and day out, shaping up the troops."

He also recalled:

"Nine months into her first pregnancy she played baseball. The last time up she hit a home run, and without missing a base — I'm told — continued right off the field to the hospital to deliver [her first child] Pres..."

"She loved games and thought that competition taught courage, fair play and — I think most importantly — teamwork. She taught games to us endlessly..."

"She also tamed our arrogance. I'll never forget, years ago, saying rather innocently, I thought, 'I was off my game!' Mother jumped all over me. 'You are just learning — you don't have a game!' The result: arrogance factor down; determination to get 'a game,' up..."

Mr. Bush's father was a tall (6-foot-4) man who is variously recalled as "imposing," "austere," "reserved," "stern" and "no-nonsense." Pres Bush, his son, recalls him as a man with "a fabulous sense of humor. And he was a terrible tease. George became one, too."

It is not easy to get a sample of George Bush teasing for the record. But Jonathan Bush recalled how George, as a teen-ager, would walk out of his bedroom in the morning and tell his little brother, Bucky, "You've done such-and-such, and I'm not going to talk to you for 24 hours."

Only the power of maternal intervention could get George to exchange even a civil "Good morning."

On the tennis court, Mr. Bush is known, said his daughter, Dorothy,

26, as "very catty" and "sort of obnoxious." He is notorious as well for the sharpest needle in the federal government.

He plays only doubles now, and although he claims considerable prowess in all of the tennis skills — even the right-handed serve — he is even better known for finding precisely the right thing to say to unnerve his opponents.

"He wins a lot of games he should never have won by doing what he does," said Jonathan, his brother.

Mr. Bush's children still play tennis with him. They enjoy the sport of it and are humorously loyal in not divulging too much about his game. All agree, however, that a book called "How to Serve," which recently appeared on his desk in the West Wing of the White House, might be worth his while.

The Bushes have five children. They lost one, Robin, to leukemia, when she was 3. The children all know and admire their parents and their heritage, and the comfort and responsibilities it brings them.

The children are:

- George Walker Bush, 39, of Midland, Texas. Yale class of '68; Air Force-trained pilot in Texas Air National Guard; master's degree in business administration from Harvard; runs Spectrum 7 Energy Corp. which explores for oil and gas in the Permian Basin of West Texas. Ran for Congress against Kent Hance in 1978 and lost. "A survivor," he says. "The trick for raising money is to learn confidence in yourself as a person. You have to have that confidence, one, to ask for the money. And once you raise it, you must have confidence you will treat the person

Continued

honestly and wisely. It's a very big responsibility." He and his wife, Laura, have twin girls, Barbara Pierce and Jenna Welch, soon to be 4.

• John Ellis "Jeb" Bush, 32, born in Midland, lives in Miami. Now involved with real estate development. Majored in Latin American studies at the University of Texas; went to Leon, Mexico, on a transfer program helping build a schoolhouse and met his wife, Columba, who still retains her Mexican citizenship. "I fell in love right off the bat," he said. Married at age 21, now have three children: George, 9; Noelle, 8; Jeb, will be 2 in December. Worked as assistant to the chairman of Texas Commerce Bank, then went to Venezuela when the oil economy was booming. "The bank is probably trying to collect on all the loans I made," he said. He left Venezuela in 1979 to help in his dad's presidential campaign.

• Neil Mallon Bush, 30, partner with an experienced geologist involved in oil exploration and wildcat drilling. Some wells are in Wyoming's Powder River Basin. Tulane graduate with master's degree in business administration. Lives in Denver. "Our business is full of risk. For example, we caused 18 wells to be drilled in the first two years of our business, and two produced. But we make ends meet." Married to Sharon, daughter Lauren, 16 months.

• Marvin Pierce Bush, 28, a vice president of Shearson Lehman Bros. brokerage. Graduate of University of Virginia, where he met his wife, Margaret Molster. No children. "We do work in a partnership within Shearson with tax exempt funds and corporate retirement plans." Lives in Alexandria, Va.

• Dorothy Bush LeBlond, travel agent and caterer. Recently moved to Maine with her husband, Billy, who is in the construction business. One infant, Sam. Attended Mrs. Porter's School, Boston College and Boston University.

Mr. Bush often says that his most prideful boast is that he has five children who lived through the 1960s and still love their mother and father.

Barbara Bush rarely reveals in public how many of the child-rearing chores were carried on her shoulders and what a grueling job it sometimes was.

As Jonathan Bush, her brother-in-law, saw it: "Barbara took almost all the heat from the kids. They would

sort of worship him and do battle with their mother. They never had to mix it up with him — they used to take it out on Bar."

"Bar," as Mrs. Bush is called by family and close friends, is at 59 still a splendid figure, with a crown of silver-gray hair, a rich Ethel Barrymore voice, perspicacious blue-green eyes, and enough strength and determination to pull a loaded hay wagon if it were required of her. She, too, is a clever and practiced tease.

She carries her needlepoint almost everywhere she goes, because she is accustomed to the politician's life of what she describes in military terms as "hurry up and wait."

She has spent so much time in holding rooms and on airplanes that she has needlepointed living room-sized rugs, with animals and flowers, while waiting to hurry up.

Mrs. Bush feels duty-bound to keep her body in athletic shape and she will spend long, tedious minutes each day in the sweaty grip of exercise.

"At home," she explained, "I play tennis at 7 a.m. and get up every morning and put on a video and do stretching, toning and aerobics. If I'm very good I do it for an hour and a half, but if I'm not, for about 45 minutes."

All this exertion, which to her seems eternally slow and boring, is done to compensate for a combined blessing and curse.

"The truth is," she admitted, "I like official meals. I eat better than any human being I've ever known. I was built for the job. I have no problem coping, but do I have a weight problem? Yes. I was born overweight."

Mrs. Bush, her daughter "Doro" pointed out, is a world-class organizer and archivist.

"Mom is the most organized person you'd ever meet," she said. "You wouldn't believe the amount of projects she has going. She has huge scrapbooks, four feet tall, at least. About 30 of them. She's been keeping them their whole lives. She'll get a menu from a dinner at the White House. It's glued in within minutes after she gets back home."

"My mother is very practical. I feel I can ask her about practical things more. As for temper, my mother has more. My father has almost none. When he gets mad, you know it's serious. Mother is more emotional."

Mr. Bush's brothers and sister are, in Pres Bush's words, "proud that George has the honor — and the burdens — of being vice president."

"This is a close and diverse family," he added. "George being president won't affect our way of life. We have been under scrutiny as a family when father was in the Senate. Everybody is used to it. And mostly it's no problem at all. It's something you take in stride."

The Bush siblings include Prescott Bush, 63, Yale graduate, now runs Prescott Bush Co. Inc., in Manhattan. Another brother, Jonathan Bush, 54, Yale graduate, inherited a strong dose of the family's thespian streak, gave countless performances as the good cowboy in Richard Rogers and Oscar Hammerstein's musical "Oklahoma!" He runs Jonathan Bush & Co., an investment management business. Then there are William Henry Bush, 47, president of Boatman's Bank of St. Louis, Mo.; and Nancy Bush Ellis.

Last April, at Camp David, Mr. Bush presided over a weekend meeting of almost everyone in his family. The object was to have a good time and to meet the new Bush staff, newly led by chief of staff Craig Fuller, who had replaced Adm. Daniel Murphy, now an executive with the public relations firm of Gray & Co.

"That get-together," said George Bush, the son, "is a typical George Bush move. Here we are, scattered all over. And things are changing. So in order to make sure the sons, daughter, wives, brothers and sister know what's going on with the formation of his PAC, and that no one feels shut out."

For his part, Mr. Fuller was pleased and surprised at his introduction to the Bush family. He said:

"When I came up here I had no idea there was such a reservoir of talent as this family has. I didn't know you knew so much about the [political] game."

Tomorrow: Bush the businessman

WASHINGTON TIMES
28 October 1985

Bush committee set for White House bid

By Bill Kling
THE WASHINGTON TIMES

With a list resembling a Republican Who's Who, Vice President George Bush tomorrow is scheduled to announce his official political action committee, Fund for America's Future, which will drive his presidential candidacy in 1988.

The committee, with 450 members representing all 50 states, lists four former Republican national chairmen, many present and former members of the Republican National Committee, and a number of GOP elected officials past and current.

Membership on the committee, which will support and help finance Republican candidates and party organizations in next year's federal, state and local elections, does not necessarily imply endorsement of Mr. Bush for the 1988

GOP presidential nomination, Ronald Kaufman, the PAC's executive director, said.

The committee's seven national co-chairmen are Anne Armstrong of Texas, the Ford administration's U.S. ambassador to Great Britain; Constance "Connie" Armitage Antonson of South Carolina, former chairman of the National Federation of Republican Women; Angela "Bay" Buchanan Jackson of California, former U.S. treasurer and sister of Patrick Buchanan, a top White House staffer in the Nixon and Reagan administrations; Barber Conable, retired New York GOP congressman now senior fellow at the American Enterprise Institute; Ed Rollins, President's Reagan's 1984 re-election campaign director until recently White House political director; and Republican Govs. Arch Moore of West Virginia and James Thompson of Illinois.

WASHINGTON TIMES
29 October 1985

The Texas Years

The economic foundations of a political life

by Barnard L. Collier
THE WASHINGTON TIMES

Second of four parts

What kind of businessman was George Bush in Texas?

Unlike Harry S Truman, he did not go bankrupt. Nonetheless, the spectre of going broke did at times creep into Mr. Bush's mind. Those were the old days, in the early 1960s, when seeking constitutional legal protection from creditors was, in certain circles, considered dishonorable. And the thought of not meeting his regular payroll of 500 became a recurring nightmare.

Mr. Bush eventually suffered severely bleeding ulcers, the worried businessman's disease.

His business career began in 1948 when he was 25 years old. After a quick baby, a quick trip through Yale, a Phi Beta Kappa key and the captainship of the Yale baseball team, Mr. Bush was ready to learn the rough and risky game of oil wildcatting.

His move west was to the town of Odessa, Texas, which Barbara Bush's mother thought was somewhere in old Russia. She sent her daughter CARE packages of Ivory Soap.

Mr. Bush learned how to abstract land leases and sell oil royalties. In training with Dresser Industries, a diversified oil field conglomerate, he learned how to find out what kind of legal title here was to property a company might want to buy, and if the guy who was trying to sell it actually owned it.

Then, he and his small family moved to California. They lived, Mrs. Bush recalled in a recent interview, "in Whittier; Compton, where Robin [their first daughter] was born; Bakersfield; Ventura; and someplace else."

She said:

"I do not remember it as a happiest time."

After a year, the family went back to Texas and settled in Midland, located east of Odessa, half way between Forth Worth and El Paso.

Mrs. Bush loved Texas, which she recalled as "a place where nobody cared who either of our fathers were."

Jeb Bush, who was born in Midland, has vague memories of the place as "weird, like horny toads and tumble weeds."

"We lived," he added, "in a nice, comfortable house, with a backyard, a big park. It would rain once or twice. . . ."

"There were real nice people, real friendly. There were about 20,000 people and the rugged environment in which they lived."

Midland was a town George Bush, and people who called the Bushes friends, all helped to build. Mr. Bush taught Sunday school and was an elder in the First Presbyterian Church. He was on the board of directors of the Midland Community Theater and a director of the Commercial Bank and Trust Co. The Bushes and the

GEORGE BUSH

AN INSIDE LOOK

a backwater into a city, and they enjoyed it thoroughly.

C. Fred Chambers, born in Dallas, graduate of Woodberry Forest School in Virginia and the University of Texas, Navy pilot, and now a well-to-do oilman who retired in 1979, got to Midland in a different way than did Mr. Bush, with whom he later became friendly.

After the war, Mr. Chambers borrowed \$2,500 on his G.I. Bill loan rights and began the Home Beverage Delivery Co. in Dallas. He and a partner worked 18 hours a day and drove trucks themselves, yet barely were able to pay the other drivers.

His wife's 44-year-old father, who had retired from the oil business after a heart attack, told him:

"If you work half as hard in the oil business as you do in the delivery business, you'll make 10 times the money."

Mr. Chambers forthwith moved to Midland.

He found the place filled with smart, qualified, well-educated, ambitious, hard-working folks — like the Liedtke brothers, Hugh and Bill; John Ashman and Toby Hilliard, both Princeton graduates; Bill Kennedy; George Bush; and an adventurous bunch of other hope-filled risk takers.

Mrs. Bush has affectionate memories of Midland:

"We just loved it! When we left 11 years later — that's where our little girl died — I would wake up in the morning and sense something awful — and it was not being in Midland."

"We all grew up together there. The friends we made we made in Midland, Texas — the friends we made were the closest we'll ever have."

Mr. Chambers also remembers:

"At first, George was working for Dresser buying oil leases. Then he and Hugh Liedtke, whose father was general counsel in Tulsa for Gulf Oil, got together."

"We were a young group. We all played touch football together. We did what you do when you weren't out in the oil fields. Everybody got pretty close. We were all trying to do the same thing. We were not competing in a cut-throat sort of way."

"George and I had some deals together. George had real good connections. We went to New York. We went to Washington. In this period of time, oil was pro-rated for 10 days at \$2.75 a barrel and gas was 19 cents."

Baine Perkins Kerr, a former president and now a director of Pennzoil, also recalled Mr. Bush. In a recent interview he said:

"I met him — I just happened to look it up in my diary from back when I was practicing law and had to account for all my time — on Jan. 4, 1955."

"I was doing law in Houston with the firm Baker Botts." A case came up involving a company called Zapata Offshore, which was wholly owned by Zapata Petroleum, which was George Bush; Hugh Liedtke; and a man named John Overby, a former employee of Standard of Texas — all from Midland.

"They were just getting started in business," Mr. Kerr said. "I went to Midland to find out the background of the Offshore part, looking from the viewpoint of an underwriter. I knew none of them before. But out of that ultimately grew a relationship."

"I was 36 years old, a new partner in a law firm, a couple of years older than Hugh, and three or four years older than George."

"His appearance was tall, slender, very youthful then. He's remained in pretty good shape."

"He always had a quick mind, and he's very thoughtful."

"George was not the Harvard Business School sort of businessman. He was pretty informal, as he is. He was a hands-on man. He negotiated deals. He had a style a little

Continued

different from many I've seen. Many people called him by his first name. He knew everybody like he knew his family, up and down.

"In the end he did fine, but he could have sold out for a lot more a year or two later. He didn't get all that much, but people always made money with him.

"They lived very modestly. Their house was in what we called Easter Egg Row. These were wooden houses

painted up in bright colors. They were not afflicted with great wealth.

"They were part of a group, some more financed than others, from Texas, Oklahoma and the East, like George. Mainly, we were all interested in finding oil and gas."

Zapata Petroleum was capitalized with \$1 million, half from the Liedtkes, whose roots were in Tulsa, Okla., and the rest from Bush connections in the East. The company was successful doing some creative financing for the time. It also found oil on a rather superficially explored tract called Jameson Field, in Coke County near the settlement of Silver. The discovery produced 130 to 140 wells that are still pumping today.

The 7 cent-a-share Zapata stock increased more than 300 times in value to \$23 by the time the 125th well came in.

Mr. Bush has described the Jameson Field this way:

"It was a major thing for us, not for big oil people, but for us it was a major development. Coke County was 'make or break' for us. It was considered by some to be marginal production in those days, but for us it was very, very, very important because it was really the beginning of the growth of Zapata.

"It enabled us to go into the offshore business. It enabled us to do many other things, and subsequently it enabled the Liedtkes to have a vehicle that is now Pennzoil, if you want to look at it that way."

And moreover, he said, "I suppose, if you wanted to make it really romantic, you could say that without the Jameson Field, I wouldn't be vice-president of the United States."

But on a truly personal level, he said:

"That was the genesis, really. That was the first major success the oil company had, and you might say it enabled me to go on to do what I did in business, and subsequently that permitted me to educate my children and feel that I could forego further economic enhancement and go into politics."

In the early 1950s, a man named Laterno invented the Laterno 3-Legged Jackup, an offshore drilling rig that Mr. Bush has described as "big as the Empire State Building

and wide as a football field." It cost \$3.5 million.

It was floated out to an offshore site, sunk beneath the water and then ratcheted up above the sea on its three legs to become a drilling platform. When its usefulness in that spot was over, it could be ratcheted back down, refloated and moved somewhere else.

Mr. Bush saw big money in the Laterno idea and wanted to take Zapata Petroleum into it.

His partner, Hugh Liedtke, who had a law degree from University of Texas and a master's degree from Harvard Business School, had no desire to get his feet wet offshore when the land drilling business looked pretty good to him. That is why Zapata Offshore was formed in 1954, with Mr. Bush in command. In 1959, Zapata Offshore's offices, and the Bushes, moved to Houston.

Mr. Bush's uncle, Herbert Walker, was very proud and hopeful for his nephew. He helped raise public and

private money for Mr. Bush's ventures, and he helped with most of the financing for Zapata Offshore.

"Uncle Herbert," recalled Jonathan Bush, the vice-president's next younger brother, "always expected to make a pot of gold in George's company. He did not make a fortune in George's company."

The new Zapata rigs were oddly named "Scorpion," an insect that stings you, and "Vinegaroon," also a stinging insect.

A hurricane came to test Mr. Bush's mettle. One of his rigs was swallowed by the Gulf of Mexico. Mr. Bush had prudently removed its crew the night before the blow. When he took a small plane to look for the rig after the storm had passed, he recalls nearly rupturing his eyeballs in a vain effort to find even a floating trace.

Business pressures made life so worrisome to Mr. Bush that Fred Chambers heard how one evening in London, "George had an ulcer attack" and coughed up blood.

Mr. Chambers said:

"George is a good businessman. He likes to be successful. He was doing a job he liked to do. But the thrill of politics he likes better. He likes it better, so he works harder and better at it."

Mr. Chambers drew a personal comparison.

"I am an oil man. I'm in a risky business. I tell people who invest with me that probably the first thing will happen to you is you'll lose your money. But eventually, you stick with it, you get somewhere. ...

"George," he remarked gently, "took it all very much to heart. ..."

Mr. Bush later told people:

"I can't worry about things I have no control over. Once I accepted that, my ulcers went away."

In addition to a change in personal philosophy, it also required some surgical intervention to cure the ulcers. And there was psychological advice from his physician which provoked a rage from Barbara Bush. She recalled:

"He came home with this booklet from the doctor, and it said:

"If your wife's family bothers you, tell them to knock it off."

"If your wife nags you, tell her to knock it off."

"I was furious! The whole blame was on me.

"George answered every call. There was no call for help George Bush did not answer. He went to AA meetings with people. ... I felt — selfishly, probably — that he spent too much time on other people ... that there I was, with five children.

"I had to learn to live with George Bush. He has not changed, but there was a certain period when he took on everybody's worries. He cares so much."

In a recent interview, Mr. Bush himself said:

"It was a tense time the company was going through. It was a survival industry. I thought at the time it [the Laterno 3-Legged Jackup] would have enormous potential. It did.

"My only problem was I sold out just before the boom really started. I sold everything I had in it in 1966."

He sold to a group of investors led by Doyle Mize and including a wealthy close personal friend named Will Farish.

Six months and two days later, the stock price of Zapata Offshore doubled.

Tomorrow: Bush's political future

WASHINGTON TIMES
 30 October 1985

Pushing Bush for president

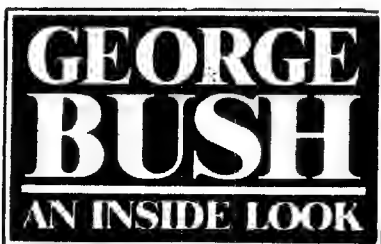
Third of four parts

By Barnard L. Collier
 THE WASHINGTON TIMES

A Ph.D. candidate in political science, Lee Atwater, 34, is in charge of the politics of making George Bush the next president of the United States.

Mr. Atwater is a sinewy, 150-pound South Carolinian, a "yuppie baby boomer" he calls himself.

He has been in Republican politics since he was a teen-ager in Columbia, S.C., and he remembers when the Republican National Committee was prepared to disband the similar committees on college



campuses, and Mr. Bush, as party chairman, personally saved them from assimilation and extinction.

Mr. Atwater is now a partner in the political consulting firm of Black, Manafort, Stone and Atwater, of Alexandria, Va. The firm claims as friends Mr. Bush, Sen. Robert Dole, Kansas Republican, and Rep. Jack Kemp, New York Republican, among others.

Mr. Atwater denies vehemently the firm is hedging its political bets. He insists each partner maintains strict confidentiality for his candidate. Mr. Atwater also believes Mr. Bush, who is his personal client, will become the next occupant of the Oval Office.

In fact, Mr. Atwater is not alone among Republicans in that conviction. A recent poll by Paul Weyrich, a man of awesome reputation for realism on the New Right, indicated Mr. Bush in 1988 could expect the vote of eight out of every 10 people who voted in the 1984 election for Ronald Reagan.

"That's a good poll," commented Mr. Atwater, "because it cuts against the grain."

The grain in this case is the predilection on the right wing of the Republican Party to prefer somebody other than Mr. Bush — someone with more respect for New Right positions, less doubt about its political power.

There is no doubt where Mr. Bush stands on the question of New Right power. Last year at the Republican National Convention in Dallas, he referred to the New Right with an old Texas description: "All hat and no cattle." This endeared him not to New Righters.

Mr. Atwater, who also worked for Sen. Strom Thurmond, South Carolina Republican, regards himself as conservative as any baby boomer can get. He sees nothing at all in Mr. Bush's political career that is tainted with a smear of liberality in the economic realm.

Technically, Mr. Atwater is volunteering his professional services to the Fund for America's Future, a political action committee which is the vice president's political arm.

This PAC may, under certain interpretations of the election laws, be transformed quickly into a legal Bush-for-President committee, when the time comes. It has raised more than \$2 million in just five months, and is touted by Mr. Atwater as one of the "eight or nine fastest growing and best endowed PACs in the country."

This suggests Mr. Bush is attracting early money. Nonetheless, doubts linger about the certainty of Mr. Bush's nomination for the presidency. Several quiet questions float around his campaign:

- Will Mr. Reagan complete his term or will he step down for reasons of health, probably at Nancy Reagan's urging, and turn the job over to "the JV?" — the junior varsity, as Mr. Bush describes himself.

- When will he step down, if he does? This question raises many constitutional questions. Among them: If Mr. Bush should get the job before the November 1986 elections, will he be eligible to serve only one more term, or two?

- If Mr. Reagan finishes, will he be turning over a robust economy or a failing one? In the first case, Mr. Bush will have an easier time of it. In the latter, perhaps a successful and audacious businessman, like Chrysler Corp.'s Lee Iacocca, could whip him — if Mr. Iacocca chooses to run as a Democrat.

- Will Barbara Bush be an asset or a liability? She is so candid with her likes and dislikes, so assertive in saying so if she feels like it, that she might too often be too clearly understood. Her what-rhymes-with-"rich?" incident involving Geraldine Ferraro is not entirely forgotten.

Mr. Atwater and Mr. Bush met twice shortly after the 1984 election victory to discuss, at great length and depth, Mr. Bush's political options.

As Mr. Atwater described these in a recent interview, there were two obvious ones, and an unmentioned one:

- Not to run. Rejected.
- To run, beginning immediately, in what Mr. Atwater proudly calls, "The Permanent Campaign," which will also be the title of his Ph.D. dissertation.

- To agree to run for vice president again. Not discussed.

Mr. Atwater plans to turn his dissertation into a book which will say, in essence, American politics has developed a presidential election campaign that begins before the polls close on Election Day and runs on until the next Election Day.

For him, and for Mr. Bush, "Election Year 1988" is nearly a year under way, and work is going on at a furious pace to be sure that Mr. Bush exhibits well at various political "cattle shows," and that the vice president dominates the Michigan party caucuses coming up next August.

"Here's what always used to happen. Campaigning ended in November. Everybody's sick of politics, and it's over until after Christmas," Mr. Atwater said. "You have the withdrawal, and then everybody has a kind of 'flashback' in January and February. It goes hot and heavy for a while, and then it tapers back off for a year or so.

"When the January and February period was on this year, we all said, 'This'll die back down again,' and it just never did.

"So we didn't realize until last summer that it just didn't end.

"Michigan now starts selecting delegates for the national convention next August. That means you actually got the delegate selection beginning in less than a year after the election."

After the Michigan caucuses, Mr. Atwater predicted, will come political activity that he calls, "The Invisible Primary."

He regards this several months of straw polls and more cattle shows as

very significant in the process.

"It starts," he said, "June of next year. It's been in the past a winnowing out period. John Glenn got wiped out in that period and never even made it. Once the primaries started he never became a credible candidate, because he'd already been wiped out in" — a pause for silent fanfare — "The Invisible Primary."

"... We now have a 'pre-invisible primary.' ... We have the cattle shows and jockeying around inside the 'echo chambers.' You got two big echo chambers in American politics. One's the political community, and one's the media community ... And my prediction is that *that's* going to wipe a few people out."

This dissertation he will one day defend before a panel of academics at the University of South Carolina. But he will try it out first, in reality, in the Bush for President campaign.

Mr. Atwater's firm is one of those modern "legalitical" firms in which aristocratic trappings of brass and beeswaxed dark mahogany conference tables mix with high-tech gadgets like a neon yellow plastic earphone radio that blasts dirty blues into Lee Atwater's brain. Mr. Atwater himself is a practiced guitar player and played with Percy ("When a Man Loves a Woman") Sledge.

The firm's business is expanding so fast that it has outgrown a good-sized brick building on tree-shaded Fairfax Street in Alexandria, and

will move soon to larger and more expensive quarters overlooking the Potomac River waterfront. Being away from downtown Washington is considered a distinct plus.

Mr. Atwater quite clearly has Mr. Bush's ear and trust in political matters. They meet frequently face-to-face, and speak often by telephone.

While Mr. Bush does not openly discuss within media earshot his political strategies, Mr. Atwater revealed them as follows:

"A. He will lose the nomination to the presidency and everything else if it means doing something that he doesn't think is honorable with regards to President Reagan. He's not going to separate or distance himself.

"B. He's not going to be anything but vice president to the president.

"But aside from that, he has an interest in having a political future after Ronald Reagan ..."

This requires "a political base," Mr. Atwater said, and he described Mr. Bush's base as "one of the largest natural political organizations of any candidate in American politics."

He described the Bush base thus:

"The unique thing about George Bush is that he's got at least three

bases, not just one. He's got a base inside the Republican Party as a party activist, grass roots county party chairman, party state chairman ...

"The other base is his own base. He got some 40 percent of the vote and was able to win some primaries like Michigan, and he did very well in Texas. He had a base in 1980 against Ronald Reagan. Certainly not a majority, but he had his own base from going around the track, and he's built on this base as vice president.

"Third, he's got the Reagan base. In the last two polls I've seen, 80 percent of the people who supported Ronald Reagan, rank-and-file voters, are going to support George Bush. And I'd say that's 80 percent of the activists."

The Fund for America's future is already handing out funds to selected state Senate and House Republican candidates, and it will gear

up to help virtually every incumbent Republican U.S. senator in an effort to keep GOP control of the upper chamber.

This will give Mr. Bush a considerable pile of "chips," "IOUs," "favors," or what-you-will to cash in the 1988 campaign. The debts will probably be paid off gratefully.

For the obligatory campaign slogans, speeches and posters, the candidate's assets, which will be advertised or suggested, will include, according to Mr. Atwater:

• "Experience. Experience at a time when experience is at a greater premium than ever before. This country is going through two massive changes. A technology revolution and a values revolution, brought forth basically by the infusion of baby boomers. So there's a lot of insecurity and instability out there in the political system. In every poll I've seen this year, experience is more important than ever before as a quality in candidates."

• "He's got the organizational advantage."

• "He's a good candidate. He's a good politician. He knows how to relate to people. He does well speaking."

• "He's got endurance. Strom Thurmond and he are alike in that."

As Mr. Bush's "strategist," Mr. Atwater refused to discuss Mr. Bush's liabilities, while admitting, "Everybody's got some."

But he quoted Mr. Bush as saying that if the economy goes totally sour, and the Reagan administration gets a black eye, then he will suffer.

"He is indelibly linked," Mr. Atwater said, "to the presidency of Ronald Reagan. He's very proud of that and will do nothing to run away from that.

"But if everything sours and goes to hell in a handbasket, then he's going to have some problems.

"However, if that happens, what I maintain is that any Republican is

going to have problems, because a great man says, 'You can run, but you can't hide.'

"If we get in a situation where the economy is in shambles, and so forth, people will want to distance from something like that and will not accept anyone else from the same party. A wave will sweep across and a Democrat can win."

Mr. Bush's enemies, of the political kind, will not be so reticent about exposing his weaknesses, including some rather slangy ones, like "wimp," which are never delivered to his face. Mr. Atwater confronted these charges:

• "Wishy-washy ideologically. — 'I am a conservative, an unabashed conservative. I got my start from Strom Thurmond. Worked for him for 10 years. The two politicians I've been associated with are Ronald Reagan and Strom Thurmond. ... So I wouldn't support somebody who wasn't a conservative.'

• "Elitist. — 'The elitist thing, the only way to solve it is when the campaign starts. Get out and connect with the people. He can't help the fact that he was born somewhere, and he went to a certain college. We are not an anti-intellectual country. I think the elitist charge is a problem, but it is not a crucial ... or lethal problem. I think George Bush will go out there and connect very well with the populist and the conservative voters, and it remains to be seen if anyone else is going to go out and get the populists.'

• "Wimp. — 'The wimp image is another he is going to have to solve. There's no question he got hit with that charge. Now it never was out there in the '80 campaign. It got out in the '84 campaign as a result of him really getting out there and being loyal to Ronald Reagan. He got himself into a damned-if-you-do, damned-if-you-don't situation. By and large he did the exact right thing. Because if he did anything that would have created separation between him and the president, or indicated any kind of disloyalty in a dispute over policy, not only would he have got murdered by the press, it would have created the kind of chaos on the ticket and chaos in our campaign, and Katie-bar-the-door, you don't know what would have happened.'"

Against who does current Atwaterian thinking conclude a Republican will have to run in 1988?

"In the modern presidency you've got two nominations going on in each party.

"In 1980, the Republican Party had a conservative nomination going on, and a moderate conservative nomination. So you had Baker vs. Bush, and then you had the whole field against Reagan.

"The Democratic Party has two nominations going on. The new generation nomination and the old guard nomination. On the old guard track, in my opinion, is [New York Gov. Mario] Cuomo and [Massachusetts Sen. Edward] Kennedy. Both traditional prevailing wing of the Democratic Party.

"Then you've got the new generation nomination. I think Gary Hart holds a position as commanding on that track as Reagan did in the conservative track for us in 1980. Because he's been around that track, and so on . . .

"So I think you'll have Cuomo or Kennedy, maybe with Hart."

Are there any political novices or black sheep in the wings?

"I think Lee Iacocca will wipe himself out in the invisible primary, if he gets in. Which would he be, a Republican or a Democrat?

"On the Republican side, maybe [former governor] Pete du Pont of Delaware. And there's talk about Pat Robertson of the 700 Club."

With those forecasts, Mr. Atwater hurried away to the vice president's house on Naval Observatory Hill in Washington to discuss matters of uttermost privacy having to do with the ongoing permanent floating presidential campaign.

Tomorrow: An interview with Bush.

WASHINGTON TIMES
31 October 1985

A conversation with George Bush

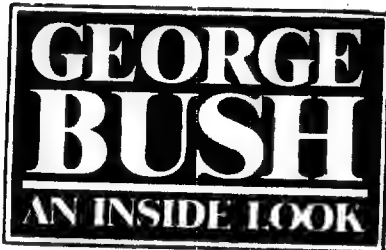
Last of a series

Friendship and foreign policy were the focus of an interview with Vice President George Bush in his West Wing office.

The events of the day included a visit to the White House by the recently released hostage, Benjamin Weir. Mr. Bush was dressed in a dark blue suit, white shirt, a dark blue necktie with tiny dots, highly polished black shoes, and dark executive length stockings that accorded down his long shins like a dancer's leg warmers. He wore rimless aviator glasses and his mood was cordial and almost jovial. He replied to questions from Washington Times writer Barnard L. Collier and White House correspondent Mary Belcher. Marlin Fitzwater, his chief press aide, sat in on the session.

The vice president's voice was familiar, with its higher-than-expected pitch and an acquired Texas twang. He left off the last sound or so of different words when he was speaking in a relaxed way. He also spoke with a few ruralisms like "gonna" for going to, and "ya" for you, and "em" for them — but only when he was semi-exuberant and not paying strict attention to his enunciation.

For most of this interview he sat in his desk chair, sometimes leaning back comfortably, and he appeared at ease.



Q: This is a question I was asked to ask. Your perception and your philosophy about what is, quote, called detente?

A: My own feeling is that I think we are on the right track trying to reduce tensions in an intelligent way. You have to define what one means by — detente. It has taken on, it has

a connotation of acquiescence, appeasement and all of that. That isn't what this policy is about, nor my own views about what we ought to be doing about it.

In other words, I think that we're trying to get an agreement with the Soviets that is verifiable, sound. That's good policy. That's what we're gonna do — if we can get their agreement on that. But to just enter into an agreement for the sake of an agreement. I'm not for that. Certainly the president's not for that.

Q: Let me ask you in terms of background: Eventually with all the people who get to be president, other people say, "Who are their friends?" ... Who do you listen to?

A: I couldn't give you ... I couldn't help you with that. I mean it's too political. "Who's gonna be shaping a Bush administration?" I just can't go into that. I can tell you who some friends are.

Q: That's fine.

A: But it depends on how you define "friends." You know — how's this going to be analyzed? Is somebody gonna say, "What's this person's views?" Or are you talking about friendship. Where you have friends that, I mean, ah ... Just explain how you want to use it. I'm getting kinda gun-shy politically.

Q: I really do understand it's a difficult question. If you want to just leave it be there, I can understand.

A: Yeah. But I got a lot! One of the things we've been blessed with is many, many friendships. But I mean if you're doing a political piece and then some "analyst" there at the paper is gonna say, "Well, ya didn't even mention anybody in politics." I don't know. It's a perfectly good question, but I really need to know what context. Should I give you a political answer?

Q: Give me a political answer.

A: In other words, be sure we got

it all balanced out by states, and stuff like that. Or do you want to know who our really close friends are? Like C. Fred Chambers, for whom we named our dog. I mean, ah, he's a very, very close friend. And, you know, Nick Brady ... and this could go on and on.

Bobby Holt [oil and banking] out there in Midland. I mean in Midland, Texas. I ... I fear that omission. Sonny Montgomery [Rep. G.V. Montgomery, a Mississippi Democrat] in the Congress is a close friend. So's [Rep.] John Paul Hammerschmidt [an Arkansas Republican] Both members of Congress. Gosh! The Liedtkes with whom I used to do business. That's Bill and Hugh Liedtke. And Baine Kerr. These are friendships that go way back. I mentioned Fred Chambers. Will Farish is one of my close, closest friends.

Q: Let me ask you a philosophical question ... How would you describe yourself? As a human being and an individual.

A: Well, hopefully ... Well, it's a little arrogant again, talking about one's self. So I'd almost rather get out of it. But I'd hope with some integrity. And I hope with concern, compassion. Is that the kind of thing you're talking about?

Q: When you look in the mirror, what do you see?

A: A guy that's had a long schedule the day before, and who wants a little time off.

Q: There is a public perception of you and Mrs. Bush.

A: It's better to get others to help with that. I spent my whole life learning not to talk about myself from my mother. When we started doing that, why she'd get upset with us. Now, I'm suddenly asked to stretch out on a couch. I can't do that. But you can get that from a lot of people. I'm not that subjective. When I look in the mirror, I don't say, "Now ... Ah ... [Stretching his neck high, as if shaving it with a straight razor] What is this fellow really like?" And I'd say, "Who's the real me?" I'm comfortable with what I am.

Q: You seem like a really private person.

A: In some cases, yeah. And that's why I really feel on some of these questions — I mean I have no problem with people, giving you names of people to ask, and you're going to go get them from people you want anyway. That's fine. But I'm just not good at all this who my close friends are. What I think about my religion. What I want to do about this and that.

Q: Why does a man like you — who, your son Jeb says, could enjoy being rich, who likes his privacy — put yourself in the painful situation of being a public servant, and subjecting yourself to idiotic questions?

A: We talked a little bit about that earlier. Early on, an inculcation of a sense of service. Putting something back. Giving something to a country

you believe in. Working for what you believe. All that.

I mean that's what motivates, certainly now. I'm not as much, perhaps, as goal-oriented as I used to be. Getting a little more relaxed about that: kinda stuff. But, hopefully, a desire to, you know, at this juncture do my part in taking the country in a certain direction, and serving in the process. Because there's a whole other world out there. It's much more private, much more relaxed, which certainly has appeal. I don't get into that mode that much, but

once in a while, up in vacation. I told you about my boat, I think.

That's the private side of it. Maybe we compartment off our private and public lives too much. Because I do treasure that. We had all our grand kids, including Jebby's kids, up there this summer. It's very, very special. Very special.

Q: You've been doing a little terrorism business. You've been doing drug things. You've been doing a lot of fairly complex and difficult things nobody in the public knows about. Is this secret area a rewarding area?

A: Oh, yeah. It doesn't need to be refurbished with public stuff. Marlin knows this. When you go back over the four and a half years we've been here, everybody that's met with the president, I've met with. And you talk about friendships, you develop a lot of 'em. You don't discuss them in terms of warmth of personal friendships, because I think that confuses your public life. But we never put out press releases. We've never tried to, ever, well, once in a great while, maybe one ... But it goes on all the time. And it's a fascinating part of what I do ... But the

way I see it is make the contribution to the administration. And not have to be out there feathering your own nest with every time you shake hands with the guy who just won the Heisman Trophy. I'm not above doing that, and maybe we'll have to do more of it. We do some of it. But I've tried to be in there supporting the president.

One way you manage things better is if you're part of what he's doing. Part of his administration. So all this other stuff that I do, some of it's very substantive. I always mention

one of the things was coordinating some additional funds for Atlanta at the time Atlanta was traumatized by the death of those black kids. Well the president asked me to do that. We did it. We got some public attention to it then, but not a tremendous amount. But I took great satisfaction from that.

And there's regulatory relief. Financial deregulation. Anti-narcotic

statements are good. I haven't sought out a lot of them. And they're an important part of the job.

But they're not as important a part of the job as the interaction with the president, and being clued in on what he's clued in on. And advising and listening and getting advice. That part is the thing that sets this vice presidency apart ... So I would say that these special assignments are very important. I love the ones dealing with foreign affairs — we haven't touched on that. But going down, you know, dealing with the commandantes and government leaders in El Salvador, and telling 'em, "Look, this thing has to be shaped up now. You must have respect for people's lives and the law if we're gonna continue supporting you."

I think [former ambassador to El Salvador, now to Israel] Tom Pickering would tell you that was a major turning point. But it's not something I came back and cranked out tons of press releases about. And yet you have the satisfaction inside of saying, "Well, it certainly is useful."

Same as this trip to Europe, going around talking about INF [Intermediate Nuclear Forces] and tryin' to stave off the Monsignor Kents of this world, who are leading a big public relations charge against our deployment.

So you can do some specific things, and I enjoy doin' it.

Q: What about your trip where the Israelis got refugees from the Sudan flown to Israel in a top secret airlift?

A: There was speculation about that which I am not in a position to confirm or deny, or discuss. But yeah. There are specific things where you can make good.

Q: This goes back in history again. What happened in Nashua, New Hampshire? I asked almost everybody and they could not put their finger on it. They say ask you.

A: You mean the ...?

Q: What happened that you went in one night and looked like a winner and you came out the next morning and looked bad?

A: Well ... Ronald Reagan stole the show! He did a very, very dramatic thing there. And, ah, did it very well indeed. And you look at what happened in Nashua a few days later in the campaign. He got the same vote he got four years before. He kept his vote against the incumbent president against a rather large field. And the other 50 percent was divided between several of the rest of us, with me second.

At the debate thing, he just did a superb job of, you know, "I paid for the mike" thing. It wasn't personal against me, I think. He has the satisfaction of knowing he won big and did it well. I have the satisfaction of

my word, which is also a good thing to do. And they wouldn't be contradictory between him and me. I believe in my word. I believe it means something in the final analysis. But it wasn't too helpful in terms of versatility.

Now if you asked me, "On hindsight, would I have done that different?" Absolutely!

Q: What would you have done differently?

A: I'd say, "Sure! Whatever it was the question was." Letting these guys debate, or whatever.

Q: So you learned something out of it.

A: Yeah! I learned a lot out of it. Absolutely. I learned a lot from a lot

of things that go on. You know, I think if you're too old to learn, and too old to make decisions based on what you've learned, then what's the point of being out there? You've got to learn from your experiences.

Q: It's obvious from the kinds of missions the president sent you on, and the kinds of things he has you doing, he considers the two of you interchangeable. The question that has arisen today is, "Why are you meeting with the hostage families instead of Mr. Reagan meeting with them tomorrow?" And if you would like to answer that or venture an opinion.

A: It's natural. Last people that met with them was Bud McFarlane. Now me. I don't know what his [the president's] schedule is. But I think they [the families] asked to. I think the request came from them. Either the president or vice president. If they phrase it that way, they are going to get me, the JV. That's the way it works ...

Q: How's that book?

A: This one? ["How to Serve"] I was a little insulted the guy thought I needed it.

Q: Who sent it to you?

A: The guy that wrote it. This guy's from down in Albuquerque. I just got it ...

You know, I don't want to short shrift you on your request on the friendship thing. I have hesitancy in discussing this person or that. But it's very difficult for me to click it off. It's also very difficult for The Washington Times or The New York Times. Because I know how the ana-

lysts work. And I know how people say, "I read in one piece recently that so-and-so's a friend, and that friend worked for so-and-so."

I have never believed in that in politics. A kind of guilt by associ-

Continued

ation. Or that some guy voted for Adlai Stevenson and not Ike, so that would preclude my having a friendship with him.

There's also the privacy side. But, you know if I go on bragging about how lucky I am to have friends, maybe I should be more cooperative in that department. But I got tons of friends. Just rich in friendships. Particularly friends we made in Congress. Friends that I've had in the political world. Close friends from "social"

Q: Any friends left from Yale?

A: Yeah. See, Yale was different. Very close friends from Yale. Lud Ashley [T.W.L. Ashley, a retired Ohio Democrat], a very strong friendship. He and I could have stayed home when we were in Congress. We just cancelled each other out on every vote. That's why I ask about how you define it. Because if you say, "friends and political allies," he's plugged in on the bottom of the list. But if you say, "close personal friends, who can lift you up when you're hurting," or something like that — he's there. Right up in the front of the line.

And to kind of go through it, friends from the service. Milt Moore, who I flew with. Hell, we thought he was dead. The minute I saw him down there [in Norfolk, Va., at the 40th anniversary of his being shot down and rescued in the Pacific] you know — friendship. It's there. So all, each stage of our life, I have very close friends. And they are from all different ends of the political spectrum.

BUSH: SUMMIT COULD PRODUCE AGENDA OF DIFFERENCES
BY JOHN C. BRADEN
MANHATTAN, KS

EXCERPT

STATINTL

Vice President George Bush Monday said he hopes an upcoming summit between President Reagan and Soviet leader Mikhail Gorbachev will "squarely and honestly" set out differences between the two superpowers.

On the 98th birthday of GOP patriarch Alfred M. Landon, Bush said the world's leaders would do well to look to the unsuccessful 1936 GOP presidential candidate as an example of grace and wisdom in the face of adversity.

Bush delivered a Landon Lecture to about 7,000 students, faculty and members of the public at Kansas State University's Ahearn Fieldhouse. Later, he flew in Air Force Two to nearby Topeka to celebrate Landon's birthday with the former Kansas governor who was defeated in Franklin Roosevelt's 1936 re-election bid.

Landon's career is a living example of the state's motto, which translated, means "To the stars through difficulties," Bush said.

"We must remember the lesson that Alf Landon has taught America - and through us perhaps we'll teach the world -- that you can get to the stars, if with wit, wisdom and perseverance you meet your difficulties squarely and honestly," Bush said.

He said the summit between Reagan and Gorbachev should set an agenda of problems for eventual discussion. He said that agenda could lead to greater stability and harmony between the nations.

"If we are to reach the star of stable and peaceful Soviet-American relations we must face these difficulties squarely, honestly," he said. "Acknowledging differences is not a way of inflaming Soviet-American relations. It is a necessary step toward improving them."

Items on that agenda should include Soviet use of chemical weapons, intermediate nuclear missiles and anti-satellite weapons.

"When, as director of the CIA, I headed the intelligence community 10 years ago, I learned way back then that the Soviets were engaged in extensive research and had successfully tested an anti-satellite weapon," Bush said. "They launched a satellite and then they effectively intercepted it in orbit. Now they have the only tested and deployed system, yet they object to our doing any testing at all."

The vice president said this is a key time for the summit because the newly named Gorbachev is one of the most articulate Soviet leaders in recent times. He added that the Soviets are completing their latest five-year plan, and are in a period of extensive policy re-evaluation.

He said the recent U.S. media blitz by Soviet leaders, leading up to the summit, is merely a continuation of long-time policy in which the Soviets try to manipulate the populace of free nations through their media.

* * * * *

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ON PAGE A-33

WASHINGTON POST
4 July 1985

STATINTL

Bush Seeks to Reassure Allies on Space Weapons

By Karen DeYoung
Washington Post Foreign Service

LONDON, July 3—Vice President Bush sought to reassure NATO allies today that the administration's Strategic Defense Initiative is aimed at strengthening rather than doing away with the concept of nuclear deterrence that has been the cornerstone of postwar alliance defense strategy.

"Our objective is to strengthen deterrence, enhance the stability of both the Western Alliance and East-West relations and help ensure the peace of the world," Bush said.

Bush also repeated the administration's belief that a new round of talks on international trade should be held—a proposal that was rejected by

France during the economic summit in Bonn in May.

Bush's remarks in a speech to the International Institute of Strategic Studies here, came on the last day of an 11-day European tour that took him to seven NATO capitals.

The trip originally was billed in Washington and Western Europe as a sales tour to promote SDI. But events, including the hijacking of a U.S. airliner and the holding of 39 American hostages for 17 days in Beirut and the recent series of terrorist bombings, turned its focus to gaining support for U.S. counterterrorism measures and trying to coordinate a western response.

During a day and a half of discussions with Prime Minister Margaret Thatcher and her government, as well as with other governments and opposition leaders, Bush said, he had found

"unanimous . . . enthusiasm" for cooperation in a "wide range of areas," including preemptive measures and intelligence sharing.

"The governments of the United Kingdom and the United States of America declare their determination to work together with all like-minded states in combating this evil," Thatcher, standing with Bush, told reporters outside her residence.

Britain, however, declined to join the United States in ordering legal and diplomatic measures to isolate Beirut International Airport and crack down on Lebanon immediately. Thatcher, according to a top aide, told Bush she wanted to consult with other Western European governments before taking steps such as the withdrawal of landing rights for the four weekly Middle East Airlines flights from Beirut.

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ON PAGE **4**

NEW YORK POST
25 June 1985

BUSH: WE'LL NEVER YIELD TO THREATS

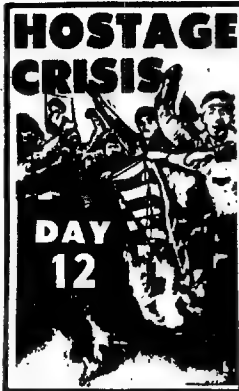
ROME (Reuters) — Vice President George Bush yesterday denounced the Air-India sky bombing and vowed the U.S. won't knuckle under to terrorist demands.

Bush, in Rome for meetings with Italian leaders and the Pope, said at a news conference that he did not know what caused Sunday's crash that killed 329 people aboard the Indian airliner.

"I do know that there have been threats and suggestions by elements hostile to [India's Prime Minister Rajiv Gandhi] that some action would be taken," he said.

"Whether that had anything to do with this Indian flight we really don't know. I must say it went through my mind as it went through everybody else's mind.

"I would hate to think that anyone was so depraved that they would take 300 and some innocent lives to attempt to settle some grievance. . . . But that incident has shaken the conscience of



the world. . . . It has made a tremendous personal impact on me."

Two extremist Sikh groups have claimed responsibility for planting a bomb on the plane.

Bush, whose talks with Prime Minister Bettino Craxi and Foreign Minister Giulio Andreotti included terrorism, said the Italians had assured him of "utmost cooperation" in a new anti-terrorism assignment.

President Reagan announced last week that Bush would lead a government task force to

study U.S. action against terrorism and to coordinate cooperation with U.S. allies.

"What's called for is a redoubling of international effort to safeguard innocent people against this kind of terror," Bush said in calling for increased sharing of intelligence and improved airport security measures.

The vice president also said Israel's release of 31 Lebanese prisoners, mostly Shiite Moslems, had nothing to do with demands by Shiite moslem guerrillas holding American hostages in Lebanon.

"We are not in the posture now, have been nor will be in the posture of knuckling under to demands. . . . That has not changed," he said.

"This linkage says to a hijacker: 'All you have to do is grab an American citizen somewhere and you'll fulfill an unreasonable demand.'

"That linkage will never be sanctified by the U.S. government," he said.

Hostages in Lebanon: Bush's Thought

STATINTL

Bush Says Air-India Crash Shakes World's Conscience

ROME, June 24 (Reuters) — Vice President Bush said today that the crash of an Air-India jetliner had "shaken the conscience of the world."

Speaking at a news conference after meeting with Italian leaders and the Pope, he strongly reaffirmed the refusal of the United States to ask Israel to release prisoners in exchange for the freedom of 40 American hijacking hostages being held in Lebanon.

Mr. Bush said he did not know the cause of the crash that killed 329 people aboard the Indian airliner off Ireland on Sunday, but he noted that there had been threats against Prime Minister Rajiv Gandhi of India recently.

"I do know that there have been threats and suggestions by elements hostile to the Prime Minister that some action would be taken," Mr. Bush said. "Whether that had anything to do with this Indian flight we really don't know. I must say it went through my mind, as it went through everybody else's mind."

"I would hate to think that anyone was so depraved that they would take 300 and some innocent lives to attempt to settle some grievance. But that incident has shaken the conscience of the world. It has made a tremendous personal impact on me."

Two extremist Sikh groups have said they were responsible for planting a bomb on the plane.

Italy Promises Cooperation

Mr. Bush, who discussed fighting terrorism with Prime Minister Bettino Craxi and Foreign Minister Giulio Andreotti, said the Italians had assured him of "utmost cooperation" in the effort.

President Reagan announced last week that Mr. Bush would lead a Government task force to study what steps the United States could take against terrorism and to coordinate cooperation with American allies.

Mr. Bush said the group would draw on outside experts and added that the United States had great respect for the way Italy had handled its terrorism problem.

"What's called for is a redoubling of international efforts to safeguard innocent people against this kind of terror," Mr. Bush said. He called for an increase in intelligence sharing and improved airport security procedures.

He also said that Israel's release of 31 Lebanese prisoners, mostly Shiite Moslems, had nothing to do with demands by the hijackers of the T.W.A. plane and that the United States would not ask Israel to free other prisoners.

"We are not in the posture now, have been nor will be in the posture of knuckling under to demands," he said. "That has not changed."

"This linkage says to a hijacker: 'All you have to do is grab an American citizen somewhere and you'll ful-

fill an unreasonable demand,'" he said. "That linkage will never be sanctified by the United States Government."

To Vice President Bush – from Lofton with love

LOFTON UNLEASHED

By John Lofton

Hopeful? Among the "naughty things" Mr. Andropov was involved in during his infamous career were the following: He played a key role in the crushing of freedom fighters in Hungary and Czechoslovakia (he reportedly had Hungarian patriots

Imre Nagy and Pal Maleter murdered after leading them to believe he would negotiate with them); he directed the Soviet genocide against the people of Afghanistan; he smashed the dissident movement in the Soviet Union; and there is compelling evidence that his KGB was behind the plot to murder the pope.

In an interview subsequent to his attending the funeral of Mr. Brezhnev, Mr. Bush, when asked if Mr. Andropov could be trusted to keep an agreement, said (for this one you should be lying down): "It's hard to say. . . I have no reason to believe that, as a person, [he] would break his word. I don't have any reason to believe the other way."

Yuri Andropov, a man of his word? A most bizarre assertion.

In his part of the book "The God That Failed," ex-communist Arthur Koestler wrote: "There is always a supply of new labels on the Cominform's black market in ideals. They deal in slogans as bootleggers deal in faked spirits; and the more innocent the customer, the more easily he becomes a victim of the ideological hooch sold under the trademark of Peace, Democracy, Progress, or what you will."

And this is what bothers me greatly about George Bush: When it comes to the Soviet's ideological hooch, he is a very innocent customer. He seems to swallow it whole without so much as batting an eye. And this scares the hell out of me.

John Lofton is a staff columnist for The Washington Times.

I like George Bush. I really do. Ask him. I think he would say, "Yes, I think John likes me." And I would even go so far as to guess that he would add, "And I like John."

But the vice president's views on the Soviets really worry me because they are dangerously naive. And the one qualification any president-to-be must have is a realistic view about the Soviets.

In an interview the other night on the CBS "Nightwatch" program, Mr.

Bush said this of the Kremlin's newest top thug, Mikhail Gorbachev:

"We know we got a good communicator on their side, but what we

don't know is what he's going to communicate." The Veep said: "The jury is still out on the Soviet Union."

Commenting on the Soviet's brutal murder of Maj. Arthur D. Nicholson Jr. — or as Mr. Bush put it "the Maj. Nicholson thing" — he said that, at first, it looked like the Soviets would be conciliatory about it, that it would be "manageable." But, he said, we then saw a "hardening of the line" just before the Central Committee and the Politburo met.

What Mr. Bush was alluding to about the Nicholson murder was the embarrassing fiasco where one day a State Department spokesman said the Soviets had agreed not to permit "use of force or weapons" against American military liaison personnel in East Germany. But, a few days later, the Soviet Embassy here issued a statement saying they had made no such agreement. And the

commander of Soviet forces in East Germany told our reporter, Peter Almond, that the guard who murdered Maj. Nicholson was merely "fulfilling his duty." A hardening of the line, indeed.

Well, now. What is one to make of Mr. Bush's incredible assertion that we don't know what Mr. G is going to communicate, and that the jury is still out on the Russians? Is he serious? Alas, I fear he is.

But why? Why does Mr. Bush say he doesn't know what Mr. G is going to communicate when Mr. G has made it crystal clear what he believes? On April 22, 1983, the 113th anniversary of Lenin's birth, Mr. G attacked "American militarists" and

"the imperial ambitions of the United States," declaring that "the Leninist principles of socialist foreign policy determine all international activities of the Soviet Communist Party and the Soviet state."

And on May 13 of this year, at a celebration of the 40th anniversary of the end of World War II, Mr. G said: "The Cold War was started by the belligerent circles of the West. . . American imperialism is at the cutting edge of the war menace to humankind. The policy of the U.S.A. is growing more bellicose in character and has become a constant negative factor. . . The aggressive intent of the ruling elite of that country [us] is seen in the attempts to

undermine the military-strategic balance. . . Barbarous doctrines and concepts for using nuclear weapons are being developed. . . A policy of state terrorism is being followed against Nicaragua. . ."

This is a jury that is still out, Mr. Vice President?

This is not the first time Mr. Bush has said things about the Soviets that raise serious questions about the consistency of his skull concerning this issue. Following his attendance at the funeral of Leonid Brezhnev, Mr. Bush said of his replacement, Yuri Andropov, the former head of the KGB, that "some people" had made his old job as head of the Soviet secret police sound "horrendous."

But, said Mr. Bush of Mr. Andropov: "Maybe I speak defensively as a former head of the CIA. But leave out the operational side of the KGB — the naughty things they allegedly (?) do. Here's a man who has had access to a tremendous amount of intelligence over the years. In my judgment, he would be much less apt to misread the intentions of the United States."

Commenting on the fact that Mr. Andropov was "very much in charge," Mr. Bush said that on this basis there was (are you seated?) "every reason to be hopeful," that "you've got to be hopeful."

29 March 1985

ARTICLE APPEARED
ON PAGE A-23

Rowland Evans and Robert Novak

Dick Walters' 'Resignation'

STATINTL

When Gen. Vernon A. Walters handed Secretary of State George Shultz a letter Monday "resigning" as President Reagan's choice for U.N. ambassador because of limitations the secretary had imposed on him, a startled Shultz waved it off with the remark: "I'm not empowered to act on that."

If Shultz had accepted the letter, he would have run afoul of the president, who very much wanted Walters to succeed Jeane Kirkpatrick at the United Nations. If he had refused it, he would have run the risk of Walters' getting the right to attend National Security Council meetings.

As it turns out, Walters will succeed Kirkpatrick with the status of the job (including attendance at NSC meetings) undiminished, as he had been promised when first offered it. But in most areas, Shultz and his allies in the Foreign Service bureaucracy have been winning their struggle for a traditional foreign policy controlled by the career service.

That battle has added new tension to the relationship between secretary of state and U.N. ambassador, strained since Dwight Eisenhower elevated the status of Henry Cabot Lodge in 1953. The difficulty of treating a subordinate as a Cabinet and NSC colleague was enlarged when Kirkpatrick evolved as the conservative movement's militantly anti-communist answer to State Department caution.

Relief at State over Kirkpatrick's departure has been mitigated by the identity of her successor.

Dick Walters, who began his diplomatic career as Richard Nixon's interpreter and has flourished as Ronald Reagan's troubleshooter, has all the potential of becoming a darling of the right, equally as troublesome to the elite corps of foreign policy officers as Kirkpatrick. Consequently, word was leaked months ago that Kirkpatrick's successor would sit on neither the Cabinet nor the National Security Council.

Efforts to reduce Walters from Cabinet status failed quickly, but ambiguities arose about his participation in NSC deliberations (where the president makes major national security decisions). On March 22, Walters went to the White House to see NSC Director Robert D. McFarlane in hopes of clearing away those ambiguities.

While waiting in the lobby, Walters was informed that "the president is ready to talk to you" on the telephone. Amazed, he picked up the phone and for the first time was officially asked by the president himself to take the U.N. job.

Minutes later, McFarlane received Walters and informed him of the decision, privately reached by Shultz and the White House excluding Walters from regular NSC attendance. Having just told Reagan himself that he accepted the job, Walters wondered how he could now refuse. He forced the issue three days later by handing his "resignation" to Shultz.

Walters really did want out when he handed Shultz that letter. Indeed, had it not been for private counsel from no less than Richard Nixon, George Bush and William Casey, he might have yielded to despondency and really walked away.

Instead, he followed Nixon's advice to "hang tough." From Vice President Bush and Casey, former and present directors of the CIA (where Walters served Nixon as deputy director), came quiet encouragement. When Shultz lobbied the president to keep Walters out of the Cabinet as the first step toward blocking him from the NSC, Bush "wouldn't buy it," one high-level presidential adviser told us.

At mid-morning Tuesday, the day after Walters handed his letter to Shultz, he was telephoned by McFarlane. Walters would have exactly the same status as Kirkpatrick, McFarlane told him. That was not full membership (there are only four statutory NSC members) but would mean fairly regular attendance at meetings.

Since that is all Walters ever asked, the battle over status and turf that almost unhinged one of Reagan's better appointments has ended its first phase. The cause of that struggle lies not only in the peculiarity of a single, unique ambassador with policy-making powers but also in the secretary's determination to conduct an orderly foreign policy with the help of the career service.

Walters' sitting regularly at the NSC table continues to threaten Shultz's objective. That explains why the tense backstage events of the last week are likely to be repeated in the future.

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ARTICLE APPEARED
ON PAGE A-11WASHINGTON POST
16 March 1985

U.S. Airlift Of Falashas "Quick, Quiet" *Search Turned Up Fewer Refugees*

By Charles T. Powers
Los Angeles Times

KHARTOUM, Sudan—The U.S. operation that airlifted about 500 Ethiopian Jews from Sudan Friday is now believed to have removed virtually all members of the refugee group from Sudan, according to reliable sources.

In the days before the airlift took place in a precise, three-hour operation on a dusty airstrip near the town of Gedaref, a quiet but diligent search was made of all the refugee camps in eastern Sudan, where the Ethiopian Jews, known as Falashas, were likely to be found.

Five Falashas were located at a camp called Um Rakoba, about 40 miles inside the Sudanese border, a refugee camp where almost 1,200 Falashas died last summer after they had trekked out of their homelands in Gondar Province in Ethiopia, fleeing famine.

The five Falashas were moved quickly to Tawawa refugee camp outside Gedaref, where refugee experts had assumed that about 900 Falashas were living.

In November, December and January, about 7,800 Falashas were moved from Tawawa and sent to Israel in secret flights from Khartoum. That airlift, called "Operation Moses," ended two days after news of the airlift leaked in Israel.

When "Operation Moses" was halted—at the insistence of the Sudanese—it was believed that about 900 Falashas were left behind, but when they were counted in preparation for the operation last Friday, only about 500 were found.

Consideration reportedly was given to delaying the operation for

one week, but the decision to go ahead was made when no one could guarantee that any more Falashas could be located in Sudan.

Then, Thursday night, they were quietly moved from Tawawa under the cover of darkness and carried in "souk lorries," trucks locally hired for the job, to the airstrip, about six miles away. The Falashas were separated into groups and spent the night camped by the rough runway.

Six propeller-driven Air Force C130 Hercules transport planes, painted in desert camouflage colors, flew from Frankfurt, West Germany, to carry the Falashas out. It was reported last week that the refugees were flown to Israel.

The planes, it was learned, landed on the strip one at a time beginning at 5:55 a.m. and, with their engines still running, loaded the Falashas in groups of about 80, and were airborne again within 20 minutes.

The operation proceeded without a hitch, although high winds in the hours before dawn threatened to cancel the airlift. But by then, the sources said, the planes were already under way, and, as first light broke over the flat, sunscorched landscape, the winds abated, and the first plane touched down. The last of the six planes had loaded and taken off by about 9 a.m.

The Central Intelligence Agency planned and ran the operation after discussions March 7 between Sudanese President Jaafar Nimeri and Vice President Bush, sources said. In the aftermath of "Operation Moses," Nimeri had said he had no objection to refugees leaving Sudan, provided they did not go to Israel. Sudan, a member of the Arab League, has no relations with the Jewish state. Unlike "Operation Moses," an extended effort involving 36 flights spread over seven weeks, the guideline for the final evacuation was "quick and quiet."

While most of the world might applaud Sudanese generosity in housing refugees, the Sudanese government is concerned over reaction to the airlift from more radical Arab states. Sudan, a close ally of the United States and Egypt, finds the situation extremely delicate.

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